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DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1985

SEPTEMBER 26 (legislative day, SEPTEMBER 24), 1984.—Ordered to be printed

Mr. STEVENS, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany S. 3026]

The Committee on Appropriations reports the bill (S. 3026) making appropriations for the Department of Defense for the fiscal year ending September 30, 1985, and for other purposes, and submits the following explanation of its recommendations. Information is herewith presented relative to changes in the budget estimates:

NEW OBLIGATIONAL AUTHORITY

Total of bill as reported to Senate	$278,094,355,000
Amount of 1985 budget estimate	292,221,823,000
Amount of 1984 appropriations	250,869,301,000
The bill as reported to the Senate:	
Below the fiscal year 1985 budget estimate	14,127,468,000
Over appropriations for fiscal year 1984	27,225,054,000

S183-16

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BACKGROUND

PURPOSE OF THE BILL

The purpose of this bill is to make appropriations for the military functions of the Department of Defense for the period October 1, 1984 through September 30, 1985. Functional areas include the pay, allowances and support of military personnel, operation and maintenance of the forces, procurement of equipment and systems, and research, development, test and evaluation. Appropriations for military assistance, military construction, family housing, certain nuclear weapons, and civil defense are provided in other bills.

HEARINGS

The Subcommittee on Department of Defense Appropriations began hearings on the fiscal year 1985 budget request on February 9, 1984, and concluded them on September 13, 1984, after 22 separate sessions. The subcommittee heard testimony from representatives of the Department of Defense, other Federal agencies, and from the general public. Approximately 6,000 pages of transcript were taken, the unclassified portions of which constitute the four-volume public record of testimony on this budget request.

SUMMARY OF BILL

The Committee considered a total fiscal year 1985 budget request of $292,221,823,000 for the military functions of the Department of Defense, excluding military assistance, military construction, family housing and civil defense. The following table displays the major recommendations:

[In thousands of dollars]

	Fiscal year 1984 enacted	Fiscal year 1985 request	Committee recommendation
Title I—Military personnel	48,345,353	67,831,600	67,015,104
(Transfer from other accounts)	(30,000)		
Retired pay	16,592,600		
Title II—Operation and maintenance	70,893,183	80,927,042	78,200,077
Title III—Procurement	85,667,505	107,586,341	99,314,304
(Transfer from other accounts)	(917,100)		(780,000)
Title IV—Research, development, test, and evaluation	26,739,269	33,985,037	31,881,467
Title V—Special foreign currency program	3,050	8,650	8,650
Title VI—Revolving and management funds	2,524,574	1,762,056	1,553,656
(Transfer from other accounts)			(500,000)
Title VII—Related agencies	103,767	121,097	121,097
Title VIII—General provisions (additional transfer authority, sec. 733)	(1,200,000)	(1,200,000)	(1,200,000)
Total, Department of Defense (NOA)	250,869,301	292,221,823	278,094,355
(Transfer from other accounts)	(947,100)		(1,280,000)
Total funding available	251,816,401	292,221,823	279,374,355
(Transfer authority)	(1,200,000)	(1,200,000)	(1,200,000)
Distribution by organizational component:			
Army	59,691,432	74,453,073	71,089,083
(Transfer from other accounts)	(211,600)		(287,100)
Navy	79,734,920	98,588,500	93,774,601
(Transfer from other accounts)	(357,400)		(367,400)
Air Force	83,466,969	105,361,657	99,180,438
(Transfer from other accounts)	(378,100)		(125,500)
Defense agencies/OSD	10,803,613	13,697,496	13,498,136
Reserve and National Guard procurement	176,000		431,000
Retired military personnel	16,592,600		
Related agencies	103,767	121,097	121,097
Coast Guard	300,000		
Revolving fund			(500,000)
Total, Department of Defense (NOA)	250,869,301	292,221,823	278,094,355
(Transfer from other accounts)	(947,100)		(1,280,000)
Total funding available	251,816,401	292,221,823	279,374,355
(Transfer authority)	(1,200,000)	(1,200,000)	(1,200,000)

TRANSFER OF PRIOR YEAR FUNDS

As a normal part of the annual budget review, the Appropriations Committees have attempted to offset new budget authority requirements by transferring unobligated prior year appropriated funds. This annual adjustment effectively realigns total funds available to meet current program needs. However, conflicting interpretations have surfaced over the past year concerning the budget scoring of such transfers. While the Congressional Budget Office and the Office of Managemnet and Budget seem to agree that transfers should be treated as reappropriations, the scoring by fiscal year varies widely. In an effort to avoid this accounting dilemma, transfers specified in the bill retain the term of availability as originally appropriated. This eliminates the scoring of additional budget authority against any future budget since the period of funding availability remains unchanged.

BILL HIGHLIGHTS

Military manpower.—As provided in the Senate-passed authorization, the Committee has recommended limiting the increase of active duty military manpower by 10,260 from the budget request. This level is 3,060 below the revised budget and allows a growth of 19,640 from the 1984 end strengths. The Committee has also accepted a 10,000 authorized reduction from Reserve forces in the full-time support program, allowing a growth of 16,809 from the 1984 program. In related matters, the Committee has recommended a lower level of U.S. forces in Europe than requested, by denying the increase for Air Force troops in Europe. The Committee did not recommend funds for a military pay raise in the bill, because no final decision on the raise had been made prior to Committee action on the bill. Noting the excellent recruiting and retention of manpower during recent years, the Committee has attempted to hold down the cost of military personnel by minimizing programmatic increases. The specific recommendations, which are $816,496,000 below the budget request and $277,996,000 below the revised budget, are discussed in detail in the title I section of the report. Of particular note, costs formerly budgeted under separate title for retired military benefits are now included within the separate military personnel appropriation accounts.

Readiness.—The recommended level for readiness related areas is higher than envisioned in the authorization, revised budget recommendations or the original budget request. Substantial increases above the current rate are recommended for ammunition, spare parts, support equipment, weapon system maintenance and proficiency training operations. In a relative sense the Committee has simply realigned budget priorities to the programs where traditional funding shortages have existed—cost-effective maintenance programs in lieu of new procurements training operations to yield maximum utility of existing weapon systems; support equipment to accommodate higher operating levels; and conventional ammunition for training and reserves to achieve funding levels in many cases approaching the fiscal year 1982 rate.

In addition, the Committee recommendation of $431,000,000 for Guard and Reserve equipment procurement is substantially higher than allowances in the past for this separate procurement account. Continued improvement in operation and maintenance funding allowances is recommended with an increase of more than $7,300,000,000, or about 6.4 percent above the current rate. Although the overall reduction in this area is about $2,700,000,000, the combination of the growing strength of the dollar abroad, declining fuel prices, favorable stock fund and transportation cost projections, and the transfer of funds from the operating accounts to a central environmental programs account, in aggregate account for more than $2,500,000,000 of the recommended decreases. This affords the application of identified program savings to the readiness requirements previously discussed.

Modernization.—While it has again recommended substantial increases in the Nation's investment in weapons systems and military equipment—up nearly $13,700,000,000 from fiscal year 1984—the Committee has still managed to achieve more than $8,000,000,000 in budget authority reductions from budgeted procurement levels. A large part of the $99,314,304,000 recommendation for procurement can be identified as readiness improvements, but the major thrust continues to be the acquisition of modern, improved systems. The Committee allowance is more than $200,000,000 over the revised budget total for procurement but some $1,300,000,000 below the Senate authorized level.

Major acquisitions financed under the Committee recommendations include:

—Increased production of AH-64 attack helicopters, UH-60 and SH-60 utility and ASW helicopters, F-16 and F-15 fighters, and C-5 transports.

—Expanded Navy shipbuilding including one Trident SSBN submarine and four nuclear attack submarines, three CG-47 cruisers and one DDG-51 destroyer.

—Continued higher production rate of M-1 tanks and increased procurement of Bradley fighting vehicles.

—Maintained production rates for the F-18 strike fighter and F-14 fleet air defense fighter.

—Continued procurement of Peacekeeper and Pershing II ballistic missiles.

—Vastly expanded support for National Guard and Reserve component modernization requirements, including new or improved aircraft, air defenses, armored vehicles, and munitions.

Research and development.—Carefully developed reductions, designed to restrain, but not halt, program growth have been recommended for research and development. This is an activity the Committee regards as a critical investment in future national security, and required spending cutbacks have been allocated to minimize program impact. Some $2,100,000,000 in budget authority reductions will develop $1,200,000,000 in outlay savings during fiscal year 1985, even while real program growth of 14 percent has been preserved. This is above last year's recommended 13 percent real expansion. Key programs, including the strategic defense initiative, ballistic missile defenses, advanced tactical ships and aircraft, and land warfare programs have been funded at the full Senate authorization level. Continued development and flight testing of the MX strategic missile is approved at $1,716,300,000, together with full funding for the small ICBM and silo hardening programs. The President's strategic defense initiative is fully funded at the Senate authorized amount, $1,627,000,000. The Committee has fully funded a number of product improvements and upgrades for in-production Navy and Air Force tactical aircraft, including the A–6, F–14, F–15, and F–16.

TIMING OF THE BILL

The Committee was confronted with a difficult legislative situation as it took up the fiscal year Defense appropriations bill. Congressional action was incomplete not only on the annual budget resolution but on the annual Defense authorization bill. Further, the House Appropriations Committee which traditionally originates appropriations measures had just begun to mark up a 1985 bill.

With only a few weeks remaining before the onset of the new fiscal year, the Committee felt compelled to develop its recommendations in the form of a reported Senate bill. This action can serve as a Senate benchmark and as a baseline for interim spending authority in a continuing resolution. The need to include the Department of Defense in a continuing resolution appeared certain in view of the limited legislative days remaining. Without the guidance of appropriations reports, limited interim spending authority could be costly and disruptive in its impact on essential national security programs.

This is the fourth straight year the Committee has been compelled to report a Defense appropriations bill in advance of the House, but it is the first time in recent years that it has been necessary to move out in advance of an enacted authorization.

There is no intent by the Committee to foreclose the actions of the budget and authorization processes. It is hoped that Congress can conclude action on both a budget resolution and defense authorization before an appropriation measure is taken up on the floor of either House. At that time the appropriations process itself can return the normal sequence.

BUDGET AND AUTHORIZATION GUIDELINES

In developing its recommendations for fiscal year 1985 Department of Defense appropriations, the Committee was guided generally by the Senate-passed versions of the concurrent budget resolution and Defense authorization bill, both pegged at a defense function total of $299,000,000,000. This was a substantial reduction in the budget submitted by the President as part of a deficit reduction initiative. Following a lengthy impasse over budget policy goals between the Senate and House of Representatives, centered primarily on defense spending differences, an informal majority leadership agreement was reached setting $297,000,000,000 as the revised defense function ceiling; but $292,900,000,000 was also fixed as a specific appropriation target.

The Committee has made every effort to comply with the revised function ceiling of $297,000,000,000. The total budget authority recommended for the Defense appropriations bill, then, is designed to hold total defense appropriations, including future requirements for pay increases and legislative contingencies, within that ceiling. This is detailed below by appropriation bill.

Defense spending

	In billions
Defense	$280.78
Energy and Water	7.33
HUD—Independent Agencies	.36
Military Construction	8.5
Treasury-Postal—General Government	.03
Total	297.00

The Committee recommendation in the accompanying bill, $278,094,000,000, assumes a contingency allowance of $2,670,000,000 to cover costs of certain legislative enactments and a 4-percent military and 3.5 percent civilian pay raise, effective January 1, 1985. These expenses will be covered by a future supplemental appropriation.

The Committee recognizes necessary adjustments must be developed in conference with the House to address the lower appropriations target.

BUDGET REVISIONS

As an outgrowth of the President's deficit reduction package, the Department of Defense submitted substantial budget revisions to the Armed Services and Appropriations Committees on May 3, 1984. These revisions, proposing $14,400,000,000 in budget authority reductions, were endorsed by the President but were not transmitted as an amendment to the original budget submission.

Accordingly, the Committee's recommendations address the original budget estimates in all comparisons. Where relevant, however, the revised budget proposals are cited and discussed in the Committee report.

Many of the reductions contained in the revisions were adopted by the Senate in action on the authorization bill; many were not. In some instances, the Committee has elected to accept downward revisions that were not included in the authorization whenever, in its judgment, the cutbacks offered by the Department could be implemented without impairing the thrust of the President's readiness and modernization initiatives.

Where appropriate, the Committee has included revised budget allowances in its comparative tables.

RELATIONSHIP TO AUTHORIZATION

Appropriations for the procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and equipment, operations and maintenance expenses, and for research, development test and evaluation require annual authorization pursuant to the provisions of section 412(b) of Public Law 86–149, as amended.

As previously noted, the total fiscal year 1985 budget request considered by the Committee was $292,221,823,000. Of this amount, $224,244,126,000, or 76 percent, required authorization. The following table depicts these amounts and compares them with levels authorized in S. 2723, the Omnibus Defense Authorization Act, 1985.

[In thousands of dollars]

	Budget estimate	Authorization	Change
Procurement	107,561,341	100,696,141	-6,865,200
RDT&E	33,993,687	32,554,966	-1,438,721
Operations and maintenance	80,927,042	78,463,988	-2,463,054
Working capital funds	1,762,056	1,636,856	-125,200
Total	224,244,126	213,351,951	-10,892,175

Compliance With Section 308 of the Budget Control Act

Section 308(a) of the Budget Control Act (Public Law 93–344) requires that this Committee include in its report specific budgetary information on the status of recommended appropriations relative to the first concurrent resolution. The following table provides these data:

BUDGETARY IMPACT OF BILL

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1985: Subcommittee on Defense	NA	278,094	NA	[1]248,623
Projections of outlays associated with budget authority recommended in the bill:				
1985				[2]159,171
1986				62,594
1987				29,982
1988				11,409
1989 and future year				13,438
Financial assistance to State and local governments for 1985 in the bill				

[1] Includes outlays from prior-year budget authority.

[2] Excludes outlays from prior-year budget authority.

NA: Not applicable.

Reprograming of Appropriated Funds

In its report on the fiscal year 1974 Defense appropriations bill (S. Rept. 93–622), the Committee directed the Department of Defense to utilize the available reprograming flexibility in order to meet unanticipated or higher than programed funding requirements. For fiscal year 1984, the Committee considered 97 reprogramings with a total dollar value of $1,625,061,000. Seventy of these reprogramings were approved by the Committee either in whole or in part. The total amount approved was $1,214,056,000. A statistical summary of these reprograming actions during the last decade is shown below:

DEPARTMENT OF DEFENSE REPROGRAMINGS

[Dollars in millions]

	Number of actions	Value of program increase proposals
Fiscal year:		
1974	24	$219
1975	45	1,446
1976 (and transition quarter)	43	791
1977	55	1,036
1978	66	1,237
1979	60	1,163
1980	71	1,217
1981	50	937
1982	73	1,648
1983	93	2,528
1984 (to date)	97	1,625

TITLE I

MILITARY PERSONNEL

Funds appropriated under this title provide for the pay, allowances, subsistence, permanent change of station travel, and various other entitlements of the uniformed members of our Armed Forces. The level of active duty military personnel requested in the President's fiscal year 1985 budget is 29,900 above the end strength funded for fiscal year 1984, while the average strength of the Reserve components requested by the administration is 41,188 above the fiscal year 1984 level.

Pay and allowances.—A total of $54,111,455,000 is requested for the pay and other entitlements of active duty officers, enlisted personnel, and cadets at the military academies. This includes basic pay, special and incentive pays, quarters, uniform, subsistence, and separation allowances—except for enlisted personnel subsistence—the U.S. Government's contribution to the Social Security fund and other applicable allowances. This function also includes enlistment and reenlistment bonuses in the case of enlisted personnel. Beginning in fiscal year 1985, the accrual costs of military personnel retirement are funded in this function.

Subsistence of enlisted personnel.—This activity reflects the cost of feeding enlisted personnel, either for food served in dining halls—subsistence-in-kind—or in the form of cash allowances for those members authorized to subsist elsewhere. A total of $2,756,087,000 is requested for this activity in fiscal year 1985.

Permanent change of station travel [PCS].—The $2,606,223,000 requested for this activity in fiscal year 1985 supports the rotation of military personnel between permanent duty stations. It covers the cost of travel of the member and his dependents, either by commercial or organic means, per diem allowances at prescribed rates, transportation and nontemporary storage of household goods, and other related costs.

Other military personnel costs.—The $242,435,000 requested for this activity provides funds for the apprehension of military deserters, absentees, and escaped military prisoners; for the payment of death gratuities to beneficiaries of deceased military personnel; and for unemployment compensation.

Guard and Reserve paid drill and initial training.—The $4,840,024,000 requested for this activity includes the costs of the Selected Reserve, members of which attend prescribed numbers of inactive duty training assemblies, ranging from 24 to 48 drill periods per year, as well as 2 weeks active duty for training annually. Beginning in fiscal year 1985, accrual costs of retirement are funded in this function.

Other training and support.—This activity, budgeted at $3,275,376,000, supports school and special training for Reservists, administration and support of Guard and Reserve units, and the costs of those members of the Individual Ready Reserve who perform only 2 weeks active duty for training each year. This activity also includes the costs to support personnel undergoing training through the Reserve Officers Training Corps and the Health Professions Scholarship Program to become commissioned officers of the Armed Forces. Beginning in fiscal year 1985, accrual costs of retirement are included in this function.

The following table displays major elements of the fiscal year 1985 request for military personnel. The functions and activities for which appropriations are made are described briefly below.

MILITARY PERSONNEL COMPARATIVE TABLE

[In thousands of dollars]

		Fiscal year 1985—	
	Fiscal year 1984 actual	Budget estimate	Committee recommendation
Funding by service component:			
Army	15,388,833	21,172,900	21,049,200
Navy	11,415,908	15,897,500	15,695,358
Marine Corps	3,520,369	4,845,900	4,812,066
Air Force	12,864,563	17,799,900	17,567,780
Army Reserve	1,361,150	2,184,300	2,109,700
Navy Reserve	757,500	1,131,600	1,127,300
Marine Corps Reserve	176,200	269,500	269,500
Air Force Reserve	388,750	565,800	565,800
Army National Guard	1,882,980	3,075,000	2,935,500
Air National Guard	589,100	889,200	882,900
Total budget request	48,345,353	67,831,600	67,015,104

SUMMARY OF COMMITTEE ACTION

The Committee is recommending a total of $67,015,104,000 in appropriations for Active and Reserve personnel costs in fiscal year 1985. This amount is $816,496,000 below the budget request. The May budget revision proposed reductions of $538,500,000. These reductions are included in the Committee's recommendations. Explanation of the Committee's actions can be found in the following pages.

MILITARY STRENGTH ADJUSTMENTS

For the Active Forces, military manpower is authorized each year in terms of end-of-year strength, while for the Reserve components the annual authorization is in terms of average strength. The fiscal year 1985 Senate-passed authorization, increased the end strength of the Active Forces by 19,640, over the fiscal year 1984 level, and raised the average strength of the Reserve Forces by 41,188. The table below summarizes the adjustments in the fiscal year 1985 authorization to the services manpower requests:

MILITARY STRENGTH

		Fiscal year 1985—		
	Fiscal year 1984 estimate	Budget estimate	Senate authorization	Committee recommendation
Active Forces:				
Army	780,000	780,800	780,800	780,800
Navy	564,800	575,300	572,800	572,800
Marine Corps	196,600	199,500	199,000	199,000
Air Force	594,500	610,200	602,940	602,940
Total Active Forces	2,135,900	2,165,800	2,155,540	2,155,540
Guard and Reserve (in average strength):				
Army Reserve	271,800	288,400	285,600	285,600
Navy Reserve	115,500	124,200	124,100	124,100
Marine Corps Reserve	42,100	44,300	44,300	44,300
Air Force Reserve	68,300	72,900	72,900	72,900
Army National Guard	425,000	440,100	435,250	435,250
Air National Guard	103,400	106,200	105,438	105,438
Total Guard and Reserve	1,026,400	1,076,100	1,067,588	1,067,588

The military personnel budget requests are determined primarily by the average strength, or man-year programs, which the services estimate as required to meet their end strength goals. The end strength goal, however, does not automatically dictate a specific man-year program. Estimates for accession planning, attrition and retirements, for example, must be considered in establishing the total man-year program necessary to meet the authorized end strength.

MILITARY FORCES

The Committee recommends appropriations totaling $59,124,404,000 for the Active Forces and $7,890,700,000 for the Reserve Forces. This is $591,796,000 and $224,700,000 below the respective budget requests.

MILITARY MANPOWER AND PAY ADJUSTMENTS

Active Forces.—The fiscal year 1985 Senate authorization reduced the active military end strength by 10,260. The Committee estimates that this change will reduce the funding requirement by $189,200,000.

In the appropriations justification material the military services included more than $700,000,000 for man-year/average strength increases related to end strength increases. The Defense Department estimated that the end strength adjustments included in the Senate-passed authorization would save $126,200,000. The Committee rejects this estimate. Based on a steady man-year increase in relation to the approved end strength, from the man-years budgeted in fiscal year 1984 and using a half-man-year increase for each additional end strength, the Committee estimates that the military services would require approximatley $400,000,000 less than requested.

The Committee recognizes that the dynamic nature of personnel management in the All Volunteer Force restricts the ability of military managers to plan a steady program. The $189,200,000 reduction recommended by the Committee would allow the Defense Department to account for fluctuations in personnel recruitment and retention; however, the limitation will encourage the Defense Department to better manage its personnel increase.

The Committee expects the Navy to provide the 750 billets it had requested for fiscal year 1985 for the 9th Active Duty Naval Mobile Construction Battalion (NMCB No. 7).

Reserve components.—The Senate authorization reduced the Reserve Forces average strength by 8,512. The Committee recommends a reduction of $30,300,000 for these programs. This is the same as estimated by the DOD.

Full-time Reserve manpower.—The fiscal year 1985 budget request included 65,996 full-time reservists and guardsmen, an increase of 16,809 from the authorized fiscal year 1984 program. The Senate-passed authorization reduced this request by 10,000 as follows: Army Reserve—3,600, Navy Reserve—200, Army National Guard—6,000, and Air National Guard—200. The DOD savings estimate of these reductions is $194,400,000. The Committee recommends this reduction.

Military and civilian pay raise.—The Committee has not recommended appropriating funds for military or civilian personnel pay raises in this bill. In fiscal years 1982–84, the Committee recommended fully funding pay raise requirements within the appropriations bills instead of in later supplemental bills. The Committee continues to believe fully funding fact of life pay requirements in the annual appropriations process is advisable. However, no final decision has been reached as to the level of the pay raise for fiscal year 1985. Therefore, inclusion of funds in this bill is not recommended. The Department of Defense is requested to forward a supplemental request when a final determination of the pay raise funding requirement has been established.

Military compensation.—Last year the Committee directed the Department of Defense to study military and civilian compensation to ascertain whether current and lifetime earnings and benefits are comparable. The DOD has informed the Committee that the effort is underway, but will require additional time to complete. The Committee expects to receive a report on the subject no later than May 1, 1985. The Committee anticipates this report will serve as a useful tool in understanding the actual value of pay and benefits in the total compensation package.

The Committee held several hearings throughout this year during which elements of military compensation were discussed. The Committee remains concerned that apparently little thought is given by the DOD to the value of the total military compensation package. Specifically, basic and regular military compensation are adjusted to keep pace with private sector wage changes, while other significant elements of military compensation are not examined in conjunction with determining the overall adequacy of compensation.

The Assistant Secretary of Defense for Manpower, Installations, and Logistics, testified to the Committee that military compensation is both fair and competitive. Yet, included in the fiscal year 1985 budget request are new military benefits, expanded entitlements, increased bonuses, further increases in housing allowance programs, and a pay raise which outstrips projected inflation and private sector wage growth. Were all these adjustments authorized and funded the cost to the taxpayer would exceed $3,000,000,000. Accepting the Defense Department's testimony, the approval of new benefits without eliminating others, could overcompensate our military personnel. The Committee strongly believes that it is essential that our men and women in uniform are fairly compensated, but has serious reservations that the DOD accurately determines whether fairness has been achieved.

The Department of Defense has repeatedly informed the Committee that it does not know how many members serving in the military receive monetary compensation in excess of basic military compensation [BMC]. The Defense Department claims that such information is irrelevant in determining adequacy of compensation. However, included in the fiscal year 1985 budget request is approximately $2,000 for every military member which is not included in any compensation comparability with the private sector. This figure alone does not include the nonmonetary incentives and the value of net State tax savings that many members receive. It stands to reason that if a majority of members receive compensation in addition to what is used to base comparability, then efforts to determine comparability are discounting the true value of military compensation. In a recent report (GAO/NSIAD 84–41), the General Accounting Office estimated that 62 percent of all Navy and 53 percent of all Air Force personnel received some cash pay in addition to BMC. In the career force it is likely the percentage of recipients is higher.

The Committee wants it to be clear that it does not oppose these additional elements of compensation, but it is concerned that the number of members receiving cash payment in excess of BMC has distorted the value of compensation. The importance of this fact was not overlooked by the GAO which concluded, "Until there is a better understanding of what compensation value the present complex and interactive system produces, decisionmakers will be limited in their ability to deal with the more important question of how much military members should be paid in return for the jobs they perform, and individuals may make decsions about military service based on inaccurate perceptions of the value of military compensation."

The Committee will continue to examine this issue, and expects the Department of Defense to consider the concerns raised by the Committee when preparing the fiscal year 1986 budget request.

NATO commitment.—Several recent reports both from the Defense Department and the General Accounting Office note that the United States is outspending its allies by significant amounts. Using data from both DOD and GAO it appears that the United States devotes more military resources for the defense of NATO than do the Europeans. The General Accounting Office asserts that the United States devotes 56 percent of its budget for Europe. Expenditure data released by the DOD reflecting 1982 spending, show the United States spent more than $100,000,000,000 in support of our NATO commitment while our European allies spent less than $95,000,000,000. On a per capita basis the United States spent about $475 on European defense while the NATO allies spent less than $300.

The DOD estimates that in fiscal year 1985 it will cost the United States $2,000,000,000 more to support the active force structure in Europe than it would to support these forces in the United States. The effect on the American economy of spending abroad instead of at home is of course much greater.

In correspondence with the Committee the Defense Department consistently points out that the forces and resources devoted to the defense of NATO are supporting U.S. interests. The Committee agrees with the DOD that a strong partnership with NATO is in the best interest of the United States. However, for nations to be partners there must be a fair burden sharing among the members. That the United States is outspending our allies 2 to 1, that more U.S. resources are devoted to the defense of Europe than are provided by the Europeans, and that our allies have failed as a group to meet the annual 3-percent spending increase demonstrate the imbalance within this relationship. The Committee does not support reducing the U.S. commitment to NATO, but recommends that the United States limit further growth until its allies show that they intend to increase their defense commitment by raising their spending for conventional defense.

European troop strength.—One concern of the Committee is the increasing commitment of U.S. forces in Europe. Since 1980 the level of U.S. troops permanently assigned ashore in Europe has increased by 17,400. Two years ago, the Committee recommended a freeze on U.S. troops in Europe as a signal to our allies that they should demonstrate their commitment to defense through increased spending. Since then U.S. forces in Europe have increased by 7,000. Including this year's request, the manpower increase will be 10,800. Of this amount, the Air Force has risen by 9,700.

The Committee recommends providing no funds for an increase of Air Force troops stationed in Europe. Because the Air Force has experienced the largest growth in European troop strength, the Committee believes it is here that the United States should limit further increases.

Opponents to freezing U.S. forces in Europe will argue that this demonstrates a lack of support for the deployment of ground launched cruise missiles [GLCM]. The arguments in favor of increasing U.S. troops in Europe have focused on the deployment of GLCM, but less than half of the recent Air Force manpower increase is related to GLCM. The Committee supports the deployment of the GLCM in Europe, but believes that additional military manpower should not be required.

The Committee was disturbed to discover that fewer than one-quarter of the manpower planned for deployment at the Greenham Common GLCM Base will be for operating and maintaining the missiles. The other three-quarters will be for overhead, security, and support. Included in the Air Force plan is a requirement for 52 active duty military personnel to operate the Comptroller Office. In the Committee's view this is excessive, and demonstrates a lack of discipline on the part of the Air Force. Assuming this is not an isolated incident the Committee is confident that the Air Force can meet its force structure requirements within the 89,900 troops it plans to station in Europe by the end of fiscal year 1984.

The Committee is also aware that the Air Force has withdrawn two squadrons from the Federal Republic of Germany since the development of the fiscal year 1984 budget. This will save an additional 750 active duty spaces, further limiting the requirement for additional manpower.

It is the clear intent of the Committee that the Defense Department should limit Air Force military manpower stationed in Europe in fiscal year 1985 to the 89,900 end strength planned for fiscal year 1984. The Committee believes this action will show our allies that the United States will not continue to increase defense spending in support of NATO, unless they demonstrate increased support. The limitation will also inform the Air Force that excessive manpower requests will not be tolerated.

Funds associated with the planned Air Force increase in Europe have been reduced in conjunction with the authorized end strength decreases. Elsewhere in the report other related reductions are recommended in the permanent change of station, travel account.

Retired pay changes.—Beginning in fiscal year 1985, the cost of military retirement is charged directly to the military personnel appropriations instead of to a separate retired pay account. The amount requested is based on an actuarial estimate of the accrual costs of the current force. In previous years, retirement requests were based on outlay requirements to fund benefits of former military. Under the new system, appropriated funds are transferred to a separate retirement trust fund from the Defense Department and outlays are made to former military members. The effect of the change is to increase the military personnel appropriations by more than $16,000,000,000 in fiscal year 1985, and to eliminate the separate retired pay account.

ALLOWANCES AND BONUSES

Selective reenlistment bonus.—In fiscal year 1985 the Department of Defense is requesting $611,895,000 for the Selective Reenlistment Bonus Program [SRB]. This represents a 32-percent increase above the fiscal year 1984 level, of which the largest portion is for funding previously committed installment payments. The overall request for new payments is 20 percent above fiscal year 1984 levels. This is somewhat misleading because the Air Force and Marine Corps are reducing their new bonuses. The primary reason for decreased SRB's in these services is excellent retention. While the Navy and Army are also experiencing improved retention rates over past years, they have requested substantial increases for new bonus payments.

The Army is requesting an increase of $32,000,000 for new payments. In fiscal year 1984 the Army will pay about 17,000 new SRB's; the request for fiscal year 1985 is for 25,000 new payments. Yet, planned reenlistments in fiscal year 1985 are actually lower than fiscal year 1984 and retention is at historically high levels. The Committee continues to be concerned that the Army is overlooking nonmonetary incentives to enhance retention in critical skills while increasing its reliance on SRB's. For example, the Army balks at requiring those in overstrength skills to reenlist in areas where shortages exist and continues to pay bonuses in skills that are fully manned. The Army has also not used effectively the authority to pay bonuses in half-multiples. The Committee recommends reducing the Army request for new SRB's by $24,500,000. This will allow more modest real program growth. It should be noted that the budget revision included a $15,000,000 reduction for Army SRB's.

The Navy request for new payments is $41,000,000 above the fiscal year 1984 appropriated level. Further, the Committee understands the Navy used $20,000,000 of the fiscal year 1984 funds to provide for other requirements that resulted from improved enlisted retention. The new payment request is actually $60,000,000 above last year's expenditures, a 50-percent increase. The Committee believes the continued achievements in Navy retention demonstrate a lessening need for new bonus payments. Accordingly, the Committee recommends reducing the Navy's request for new payments by $36,500,000.

The Committee is aware that the services do not consider attrition and that members fail to meet the program requirements of the SRB when preparing their budget requests. The Committee recommends reducing the requests of the Army, Navy, and Air Force requests by $500,000, $1,500,000, and $1,500,000, respectively to account for this oversight.

The Committee also recommends reducing the program request for growth in accelerated payments. The Committee believes that accelerating bonus payment should be minimized. The related reductions are $500,000 for the Air Force and $2,000,000 for the Navy.

Variable housing allowance.—The variable housing allowance (VHA) program was created in 1981 to help military members offset the high cost of housing in expensive locations throughout the continental United States. The program was initiated because military personnel, particularly enlisted members, were unable to afford adequate housing in many large metropolitan areas. From 1980, when the program was authorized, to 1984, the costs nearly tripled although Congress had constrained cost growth by enacting funding restrictions in fiscal year 1983. In fiscal year 1984, the Defense Department requested, and the Congress approved, a freeze in military housing compensation.

The Committee has continued to examine the VHA program. It discovered that 97 to 99 percent of all military members living off base in the United States receive a VHA in addition to the basic allowance for quarters (BAQ). The Committee also questions VHA rates. A Department of Defense Audit Service report (83–013) concluded that errors in voluntary reporting of costs had not distorted the VHA rates, but data from the report show that 52 percent of members surveyed overstated their rental costs, 35 percent overstated mortgage payments, (16 percent by more than $1,200 per year), and 70 percent overstated their utility bills. These statistics belie the report's conclusions.

Last year, the Committee requested the Defense Department to examine this program and provide the Congress with suggested reforms. The Defense Department along with the other uniformed services responded to the Committee's request on April 2, 1984. In its report several changes to the VHA program were proposed. The Committee is pleased with many of the reforms suggested by the report including raising the entitled absorption factor, eliminating certain inequities in the current system, and attempting to minimize the potential for excessive cost growth by tying future increases to national averages. Even these reforms, if adopted by the Congress, will not resolve all of the problems with VHA.

The Committee is concerned that the original intent of the program, to aid members in attaining adequate housing, has been distorted and members are paid a supplemental allowance for housing regardless of need or of any accurate comparison of actual area housing costs. Senior officers receive significantly higher payment for housing compensation than enlisted members while senior officers' compensation provides the resources to attain adequate housing. Further, the Committee understands that the proposed reforms incorporate the past abuses and excessive cost growth in the funding baseline. The Committee has directed the General Accounting Office to examine VHA and rent-plus to see if they provide the most efficient and equitable use of resources for military members. The Committee recommends reducing funds for VHA by $156,000,000. This reduction assumes the reforms proposed by the Defense Department and included in the Senate authorization will be adopted by the Congress. In addition, the Committee is recommending one general provision to eliminate payment of windfalls.

VHA windfalls.—The Committee finds one of the fundamental problems with VHA is overcompensation of members whose housing costs remain relatively stable. A member who has owned a home and experienced relatively constant housing costs for several years nonetheless receives an annual increase in VHA based on average increases experienced by other members. Because VHA is considered an entitlement, it is paid to members who experience no housing costs above their basic allowance for quarters (BAQ). Unlike BAQ, VHA is not a central element of basic military compensation and is not included in any comparison with private sector wages to determine increases. It seems logical that a supplemental housing allowance should only be paid when without payment a member would have to absorb an unaffordable share of housing costs. Basing payment on an average, whether median or mean, is an effective method to discourage members from living in a luxurious style. However, using an average which overreimburses members with low housing costs does not seem to be an efficient use of the Government's resources. Therefore, the Committee has recommended a general provision which states no member shall receive a VHA at a rate at which payment of VHA in addition to BAQ, would overreimburse a member for housing and utility costs.

The Committee recognizes that administration of this proposal will require information which is not collected presently. The Committee is aware that these data are required in areas where rent plus is administered, and that the cost of administration is about $7 per member. The Department of Defense has not provided reliable data on what percent of military receive compensation above what they spend on housing. Because of the lack of reliable data and the Committee's view that unbudgeted cost growth will most likely continue to occur in the VHA program, the Committee's recommendation does not include any reduced funding. Further, the Defense Department will need administrative funds to collect data to ensure no one is paid more than is spent for housing. Excess funds from VHA, can be reprogramed and used for these administrative purposes. The effective date of the provision is January 1, 1985. It is the intent of the Committee that a system to collect the necessary data shall be established by this time.

Aviation career incentive pay.—Last year the Committee requested the Defense Department to examine aviation career incentive pay (ACIP) to explain why it is necessary to pay 16,000 aviators incentive pay when not flying. The Committee was particularly concerned about payment to senior officers who would most likely never again be on flying duty. In its response, the Defense Department explained that wartime requirements determine the need for aviators, and that the loss of regular ACIP could mean the loss of air battles. The DOD also argued that training costs outweigh savings from curtailing ACIP, and long leadtime of training necessitated keeping more aviators than could be reasonably expected to fly.

During DOD hearings, the Committee pointed out that 24,000 Air Force pilots for 7,000 planes seemed excessive, especially when nearly 40 percent of all pilots and navigators receiving ACIP fly fewer than 5 hours per month. Considering the high cost of pilot training retention and officer lifestream earnings, the Committee questions whether maintaining a force of 24,000 Air Force pilots is either necessary or cost effective.

The Defense Department's argument on cost effectiveness centered on the training cost to replace a lost aviator versus the ACIP payment. Of course, the retention of a skilled aviator conceivably would also provide other benefits to national security, but too, the retention of a career officer would mean higher compensation and, most likely, retirement costs.

Any balanced view on cost effectiveness should have accounted for these factors, but the study is silent on these. The DOD also mentioned the long leadtime to train aviators, but failed to consider the long leadtime of aircraft production. Nonetheless, the prospect of inevitable combat losses in wartime overrides the Committee's determination to reshape ACIP making it more cost effective and equitable.

The Committee believes incentives and bonuses should be paid to help compete with the private sector, and should be used as need dictates, but it questions lifetime bonuses. As such, the Committee has not completed its examination of ACIP. To help further clarify the requirement for ACIP, the Committee will request the General Accounting Office to examine this issue in greater detail.

PERMANENT CHANGE OF STATION TRAVEL

The fiscal year 1985 budget request includes $93,490,000 for new personnel benefits which would raise the monetary allowance in lieu of transportation [MALT] for members from 13 cents per mile to 15 cents per mile and restructure the household goods weight allowance to allow for a maximum shipment per member of 18,000 pounds. The Defense Department eliminated the request in the budget revision. This reduction was the only significant change in the military personnel appropriations which was not directly related to a proposed decrease in end strength. The Committee recommends accepting DOD's budget revision and deleting $93,490,000 for these increases.

Deficit Reduction Act—Travel.—The Committee notes that included in the Deficit Reduction Act of 1984 is a provision (section 2901), which would reduce Government travel and transportation of personal effects expenditures by $750,000,000. It is the understanding of the Committee that a proportionate share of this reduction for the Defense Department would be $719,000,000. The law allows the Office of Management and Budget to report to the Congress on any portion of the reduction which is not achievable. The Committee believes at least a $100,000,000 reduction in military personnel travel funds can be achieved in addition to those recommended in this report if DOD adopts the recommendations included in the Department of Defense PCS study of September 1983, and restricts deviations from minimum tour requirements. The Committee expects that savings of $100,000,000 will offset other funding requirements to be considered in the supplemental.

SUBSISTENCE-IN-KIND

Meal, ready to eat.—The latest estimate available from DOD on the cost of the meal, ready to eat, shows that the rate used by the Marine Corps and Air Force is overstated by $3.23 per case. The savings associated with this change reduces the Marine Corps requirement by $2,200,000 and that of the Air Force by $300,000. The Committee recommends reducing the appropriations by these amounts.

LEGISLATIVE PROVISIONS

The Department of Defense has requested authorization of several new benefits and other changes for military personnel to begin in fiscal year 1985. The value of the military personnel benefits changes was approximately $320,000,000. The Senate did not approve most of these changes, and the House authorization included none. At this time, the Committee recommends no funds for these programs because authorization has not been completed. If any new benefits are authorized, the Committee will consider reprogramming or a supplemental request for funds.

The Committee is also concerned that the Defense Department is requesting new and enhanced benefits when officials have testified to the Congress that military compensation is fair. The Committee wants it to be clear that it does not oppose new benefits, but if compensation is fair, the Committee must presume that new benefits would tend to increase compensation above what is fair. The Committee suggests that other elements of compensation should be reassessed if the Defense Department plans to request new benefits.

MILITARY PERSONNEL, ARMY

1984 appropriation	$15,388,833,000
1985 budget estimate	21,172,900,000
Committee recommendation	21,049,200,000

The Committee recommends an appropriation of $21,049,200,000 for fiscal year 1985. This is $123,700,000 below the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
Pay and allowances	19,215,123	19,195,123	-20,000
Variable housing allowance	276,715	236,515	-40,200
Selective reenlistment bonus	139,642	114,642	-25,000
PCS—Household goods	473,362	444,062	-29,300
PCS—Mileage allowance	230,082	220,882	-9,200

Enlisted man-years.—The Army has informed the Committee that it overstated its man-year funding requirement in fiscal year 1984 by $18,800,000 related to E-4 man-years. The Committee notes that the fiscal year 1985 budget request was based on the 1984 program and recommends a reduction of $20,000,000 in relation to decreased man-year requirements.

MILITARY PERSONNEL, NAVY

1984 appropriation	$11,415,908,000
1985 budget estimate	15,897,500,000
Committee recommendation	15,695,358,000

The Committee recommends an appropriation of $15,695,358,000 for fiscal year 1985. This is $202,142,000 below the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
Pay and allowances	14,580,093	14,533,593	-47,500
Variable housing allowance	383,827	328,027	-55,800
Aviation officer continuation bonus	25,600	24,600	-1,000
PCS—Household goods	331,086	318,244	-12,842
PCS—Mileage	175,578	165,778	-9,800
PCS—Other growth			-35,200
Selective reenlistment bonus	290,912	250,912	-40,000

Aviation officer continuation bonus.—According to Navy statements to the Committee, the payment of aviation officer continuation bonus will be targeted to those aviation communities where shortages exist. Accordingly, the funding requirement for the program will be $1,000,000 less than requested. The Committee recommends reducing the program by this amount.

Permanent change of station program growth.—The Navy has reduced its PCS Travel Program by $25,000,000 in fiscal year 1984, because of inflation savings and improved retention which has diminished the need for accession and separation moves. This is in addition to a $5,000,000 reduction in the fiscal year 1984 supplemental appropriations request. The Committee is also aware that the average planned tour length for Navy members has been decreasing and in fiscal year 1985 it is substantially shorter than in fiscal year 1982. The Committee does not support shorter tour lengths and recommends lessening the Navy's request for funding by $5,200,000 to encourage the Navy to reverse this trend. The Committee recommends reducing the Navy request for PCS funds by $35,200,000 in conjunction with the areas described directly above.

MILITARY PERSONNEL, MARINE CORPS

1984 appropriation	$3,520,369,000
1985 budget estimate	4,845,900,000
Committee recommendation	4,812,066,000

The Committee recommends an appropriation of $4,812,066,000 for fiscal year 1985. This is $33,834,000 below the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
Pay and allowances	4,364,267	4,355,267	- 9,000
Variable housing allowance	93,380	79,780	- 13,600
PCS—Houshold goods	94,329	89,829	- 4,500
PCS—Mileage alowance	69,012	64,478	- 4,534
Subsistence-in-kind meal, ready to eat	35,508	33,308	- 2,200

MILITARY PERSONNEL, AIR FORCE

1984 appropriation	$12,864,563,000
1985 budget estimate	17,799,900,000
Committee recommendation	17,567,780,000

The Committee recommends an appropriation of $17,567,780,000 for fiscal year 1985. This is $232,120,000 below the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
Pay and allowances	16,219,369	16,086,669	- 132,700
Variable housing allowance	319,480	273,080	- 46,400
PCS—ITGBL inflation	8,606		- 8,606
PCS—Mileage allowance	143,439	134,549	- 8,890
PCS—Household goods	534,537	520,113	- 14,424
PCS—European troops			- 13,500
Selective reenlistment bonus	92,973	90,973	- 2,000
Special and incentive pay	164,446	160,446	- 4,000
Unemployment compensation	42,169	40,869	- 1,300
Subsistence-in-kind meal, ready to eat	4,484	4,184	- 300

Permanent change of station travel inflation.—The Air Force included $8,606,000 within the permanent change of station travel [PCS] budget request for international through Government bill of lading [ITGBL] inflation of 4.9 percent. Inflation adjustments are prescribed by the Office of the Secretary of Defense [OSD] and coordinated for all four services. OSD did not recommend any increase for inflation for ITGBL in fiscal year 1985. Therefore, the Committee recommends a reduction of $8,606,000 from the Air Force PCS request.

PCS program growth.—The Air Force reduced its budget request for PCS in the revised budget by $13,100,000 in conjunction with improved efficiency of moves and in relation to the manpower reduction. The Committee recommends a reduction of $13,500,000 from the PCS request in relation to the end strength reduction and the Committee's freeze on Air Force end strength in Europe as discussed elsewhere in this report.

The estimate of the PCS reduction is based on testimony from the Air Force that 20 percent of all accessions will be assigned overseas. This means approximately 80 percent of all the reductions in the PCS accounts in relation to a decreased overseas requirement would come from rotational moves. The $13,500,000 reduction is very modest when calculated in this manner. It is understated to insure the Air Force the necessary flexibility to maintain a constant 89,900 strength in Europe in fiscal year 1985.

Air Force special and incentive pay.—Responding to inquiries from the Committee, the Air Force identified decreased requirements for special and incentive pay for aviators, physicians, and dentists, due to a reduction in end strength included in the budget revision. The Air Force identified more than $2,000,000 in unneeded funds. Both Senate and House authorization acts reduced further the end strength request thus lowering the funding requirement. In addition, the Committee notes the decrease in end strength will also impact other special and incentive pay. The Committee recommends reducing funds for special and incentive pay by $4,000,000.

Unemployment compensation.—The estimated average payment for enlisted personnel for the other three services is $1,449, while the Air Force included an average of $1,495. The Committee has not been informed of any good reason for the higher average for Air Force unemployment compensation and, therefore, recommends a reduction of $1,300,000 from the request.

Reserve Personnel, Army

1984 appropriation	$1,361,150,000
1985 budget estimate	2,184,300,000
Committee recommendation	2,109,700,000

The Committee recommends an appropriation of $2,109,700,000 for fiscal year 1985. This is $74,600,000 below the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
Average strength adjustment			-6,400
Full-time support (AGR)			-68,200

Reserve Personnel, Navy

1984 appropriation	$757,500,000
1985 budget estimate	1,131,600,000
Committee recommendation	1,127,300,000

The Committee recommends an appropriation of $1,127,300,000 for fiscal year 1985. This is $4,300,000 below the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
Average strength adjustment			-400
Full-time support (TAR's)			-3,900

RESERVE PERSONNEL, MARINE CORPS

1984 appropriation	$176,200,000
1985 budget estimate	269,500,000
Committee recommendation	269,500,000

The Committee recommends an appropriation of $269,500,000 for fiscal year 1985. This is the same as the budget request.

RESERVE PERSONNEL, AIR FORCE

1984 appropriation	$388,750,000
1985 budget estimate	565,800,000
Committee recommendation	565,800,000

The Committee recommends an appropriation of $565,800,000 for fiscal year 1985. This is the same as the budget request.

NATIONAL GUARD PERSONNEL, ARMY

1984 appropriation	$1,882,980,000
1985 budget estimate	3,075,000,000
Committee recommendation	2,935,500,000

The Committee recommends an appropriation of $2,935,500,000 for fiscal year 1985. This is $139,500,000 below the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
Average strength adjustment			-21,100
Full-time support (AGR)			-118,400

41st National Guard Brigade.—The Committee understands the establishment of a light infantry division at Fort Ord, may have a negative impact on the 41st Infantry Brigade in Oregon. For example, the 7th Infantry Division at Fort Ord has already notified the 41st Brigade that because of the anticipated reorganization, administrative support to the Army National Guard units would have to be kept to a minimum. Other more serious questions have been raised regarding the level of training which may be conducted under the current arrangement.

Because of the critical importance of Army National Guard units to our Nation's military readiness, the Committee directs the Army to see that all necessary equipment priorities, training, and administrative support are retained so as to continue the same mission capability of the 41st Infantry Brigade.

In particular, the Committee suggests that the 41st Infantry Brigade be established as a separate infantry brigade round up to I Corps Fort Lewis. Another option that the Army should seriously consider is the combining of the 41st Infantry Brigade with other units in the western region to establish a new National Guard division.

NATIONAL GUARD PERSONNEL, AIR FORCE

1984 appropriation	$589,100,000
1985 budget estimate	889,200,000
Committee recommendation	882,900,000

The Committee recommends an appropriation of $882,900,000 for fiscal year 1985. This is $6,300,000 below the budget request.

All recommended adjustments to the budget request, including those items discussed elsewhere in the report, are summarized below:

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
Average strength adjustment			- 2,400
Full-time support			- 3,900

TITLE II

OPERATION AND MAINTENANCE

The Committee recommends appropriations totaling $78,200,077,000 in title II, operation and maintenance, for fiscal year 1985. This is $2,726,965,000 below the budget estimate.

The Committee recommendations by appropriation account are compared with the budget estimate in the following table:

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
OPERATION AND MAINTENANCE			
Operation and maintenance, Army	19,486,518	18,574,318	-912,200
Operation and maintenance, Navy	26,248,426	25,390,326	-858,100
Operation and maintenance, Marine Corps	1,683,069	1,633,469	-49,600
Operation and maintenance, Air Force	20,234,500	19,336,639	-897,861
Operation and maintenance, Defense agencies	7,338,370	7,126,470	-211,900
Operation and maintenance, Army Reserve	715,450	713,150	-2,300
Operation and maintenance, Navy Reserve	829,531	812,431	-17,100
Operation and maintenance, Marine Corps Reserve	58,642	58,642	
Operation and maintenance, Air Force Reserve	883,461	872,461	-11,000
Operation and maintenance, Army National Guard	1,404,643	1,395,593	-9,050
Operation and maintenance, Air National Guard	1,862,148	1,810,348	-51,800
National Board for the Promotion of Rifle Practice, Army	914	914	
Claims, Defense	177,900	157,900	-20,000
Court of Military Appeals, Defense	3,470	3,416	-54
Environmental restoration fund, Defense		314,000	+314,000
Total, title II, new budget (obligational) authority, operation and maintenance	80,927,042	78,200,077	-2,726,965

INFLATION AND PROGRAM GROWTH

The Department's budget estimate of $80,927,042,000 includes $3,426,000,000 for inflation and $6,485,000,000 for real program growth over the previous year programs. The Department assumed an average rate of inflation of 4.8 percent.

FUEL

A total reduction of $954,000,000 is recommended in the various operating accounts to reflect lower fuel costs. Current projections forecast a continued decline in refined fuel costs. To the extent that additional savings of this magnitude do not accrue, the balances of the defense stock fund are sufficient to cover reasonable shortfalls. Rather than adjust stock fund rates which are based on fuel prices assumed in the budget submission, the recommended reduction should be refunded or credited from the defense stock fund to the operating accounts in accordance with past practice.

FOREIGN CURRENCY REVALUATION

The Committee recommends a reduction of $500,000,000 based on the improved strength of the U.S. dollar overseas. This is in accordance with the revised budget recommendations and authorization assumptions. If the buying power of the dollar does not continue to improve, funds should be transferred from the foreign currency fluctuations account balances to the various operating accounts. The following foreign currency exchange rates should be considered the budget baseline:

Fiscal year 1985 revised foreign currency rates

[Units of foreign currency per one U.S. dollar]

Belgium	65.55
Canada	1.47
Denmark	11.67
France	9.80
Federal Republic of Germany	3.22
Greece	115.20
Italy	1,954.65
Japan	278.46
Netherlands	3.61
Norway	8.94
Portugal	154.09
Spain	185.39
Turkey	302.68
United Kingdom	.81

COMMISSARY OPERATIONS

An allowance of $617,691,000 is recommended in agreement with the budget request for commissary store operations. This represents the direct appropriation personnel cost, transportation for overseas goods, and utilities for military commissary stores worldwide. A variety of proposals have surfaced during the past year to include a reduction of appropriated funds and closure of selected commissary stores. The impacts of these proposals range widely.

As a means to examine a no-cost alternative on a test basis, the Committee directs the Department of Defense to contract, the complete operations of three commissary stores in major metropolitan areas. Complete commissary operations include personnel, inventory, and operating costs. The primary guidelines of the test should be to maintain comparable price advantages for commissary beneficiaries and lower the overall direct cost to the Government. Selection of commissary stores in major metropolitan areas will maximize the number of potential contract competitors. DOD should consider the standard OMB Circular A-76 contract conversion regulations as a guideline for contract selection. OMB participation and concurrence in the contract methodology are expected before bid solicitation. Recent contract conversions of military exchange fast-food operations offer prospects that private-sector operation of such services may be a cost-effective alternative. Certainly, commissary operations are fundamentally different from fast-food services, but the contract methodologies used may provide the groundwork for the recommended test program.

The Department should select three commissary stores, at the discretion of the Secretary of Defense, in three major metropolitan areas as candidates for this test program. Review should be complete by the end of the fiscal year with contract conversion to occur by December 1985. The test should extend for a period of 2 years under the evaluative supervision of the Defense Department and the Office of Management and Budget. The Committee expects a preliminary report on the test program by August 1985.

POMCUS 5 AND 6

The Committee recommends retention of the fiscal year 1984 provision which restricts the prepositioning of equipment configured in unit sets (POMCUS) storage program in Europe until 70 percent of Active and 50 percent of Reserve Force equipment needs are met. A Congressional Budget Office review conducted for the Committee examined the Army's ability to meet the restrictions of this provision. The examination of 22 major items of equipment, representing 80 percent of the value of POMCUS stock, revealed that the Army is capable of fielding the minimum equipment thresholds required by law, with some exceptions.

The provision permits the Army to proceed with the Europe equipment storage program only if the minimum readiness needs of Active and Reserve Forces are met. The equipment percentage thresholds are lossely derived from the Army's 1980 studies of the minimum equipment levels for training. The Active Army field test review determined that minimum proficiency could be maintained with 70 percent of equipment under certain conditions. The readiness standards of Reserve Forces were obtained by surveying Reserve commanders, but statistically valid factions could not be established.

To clarify intent, the Army should consider the thresholds as applicable to wartime requirements. In addition, the provision applies to individual weapon system types rather than families of systems. For example, 70 percent of the active force requirements for M-1 tanks should be attained before additional M-1 tanks are warehoused in POMCUS sets. A distribution plan for Active, Reserve Forces, and POMCUS based on families of systems could count the aged M-48 tanks in determining the overall tank distribution requirements. Clearly, the Army does not consider the M-48 and M-1 tanks as equally capable weapon systems.

Before proceeding with POMCUS sets 5 and 6 equipment fill, the Army should certify compliance with the thresholds of the provision.

The certification should also provide a comparison of current equipment levels to the standards established by the minimum equipment levels for training study. Since some of the study results are dated, the Army should plan to conduct a statistically valid test for Active and Reserve equipment requirements. In the absence of movement toward such a review, the Committee will consider implementation of the higher thresholds advised in the Army's 1980 study.

DRUG INTERDICTION PROGRAM

The Committee recommends an addition of $9,500,000 for the Navy to modify three P-3A aircraft with F-15 radar systems to be provided by the Air Force. The need for this program is of compelling national urgency and, therefore, the Committee directs the modifications be completed by the end of fiscal year 1985. The aircraft shall be promptly turned over to the U.S. Customs Service for drug interdiction efforts.

Last year the Air Force was specifically instructed by Congress to provide the radars and cover modification costs from within funds available. Radar inventory replacement and recovery of modification costs were expected to be covered in the fiscal year 1985 budget request. Subsequent to this direction, the Navy was tasked by the Department of Defense to assume the modification costs. The additional funding recommended by the Committee of $4,600,000 for Navy aircraft procurement and $4,900,000 for operation and maintenance is accompanied by a like reduction in the Air Force appropriation accounts. To reiterate previous congressional instruction, the Air Force shall provide not less than three F-15 radar units in fiscal year 1985 and an additional unit to be provided in fiscal year 1986. Inventory replacement will be considered in a future Air Force budget request.

Once delivered, the U.S. Customs Service shall be reponsible for the annual operation and maintenance of the modified P-3A aircraft. Until all aircraft are delivered, the Navy shall provide quarterly reports to the Committee on the status of the modification program.

MEDICAL OPERATIONS

Medical Readiness.—The Committee recommends that the Defense Department give priority to its efforts to ensure medical readiness in the case of armed conflicts. The Committee believes the top priority of DOD medical operations should be to ensure that our military personnel can receive adequate care during time of hostilities and that peacetime care should be secondary. DOD medical operations funding in the fiscal year 1985 budget request is approximately $9,500,000,000. Yet the Committee was informed by the Assistant Secretary of Defense for Health Affairs that at the onset of a conflict, up to 75 percent of those injured would not receive the necessary medical care. Further, the Committee was told if mobilization were to occur, there would be a considerable lag time during which necessary hospital beds and advanced medical technology would not be in place. It is difficult to comprehend that a budget of $9,500,000,000 is inadequate to ensure our military personnel needed care during a conflict. Included with other justification material for fiscal year 1986 budget request, the Department of Defense is directed to include a display, by appropriation, of the funds to be used to improve medical readiness and the shortages of equipment and supplies that are not funded in the budget request.

In the budget revision, the Defense Department recommended a reduction of $123,900,000 associated with various medical programs which are related to readiness. In a subsequent letter to the Congress, the Secretary of Defense noted that a later evaluation of the medical shortfalls demonstrated the reductions should not be made. The Senate authorization did not include $120,200,000 of these funds in the procurement and operations and maintenance accounts. The Committee has noted the severe shortages in medical readiness areas and the Secretary of Defense's appeal and recommends fully funding the medical readiness programs.

Optometry.—The Committee endorses in concept the Senate authorization proposal to improve vision care coverage of military dependents provided that funds can be made available within Defense Department resources. Assuming authorization of this enhanced benefit, the Committee notes that no more than one eye examination should be provided per beneficiary annually.

Task forces.—During the past year, the DOD established several task forces which address issues of interest to this Committee, including liver transplants and nonphysician morale problems. Steady progress has been made in addressing very complex issues and the Committee believes that these task forces should be continued in the coming year. In conjunction with the nonphysician morale task force, the Committee is aware of a recent DOD directive which requires that nurse practitioners, nurse-midwives, and nurse anesthetists within the services should be supervised by physicians. The Committee does not consider this a progressive, nor appropriate use of nursing expertise. The Committee directs the nonphysician morale task force to examine this directive and provide recommendations to the Assistant Secretary of Defense for Health Affairs.

Biofeedback.—The Committee remains interested in having biofeedback services reimbursed as a benefit under CHAMPUS. The Committee is concerned that in its efforts to control health care costs, the DOD is not giving sufficient priority to innovative and preventive initiatives such as biofeedback which, in the long run, could save considerable expenditures. The Committee was pleased to learn that CHAMPUS will be initiating a demonstration program, in conjunction with the Biofeedback Society of America. The Committee is interested in hearing the results of this project.

Partial mental health hospitalization.—Last year the Committee directed CHAMPUS to establish a partial hospitalization benefit to ensure adequate and cost-effective mental health services to those individuals who need greater supervision than provided by outpatient care, but not inpatient care. The Committee understands the Defense Department's reluctance to establish a new benefit. However, the Committee believes this particular proposal will save considerable expenditures in the long run. Therefore, the Committee directs the Defense Department to implement a partial hospitalization benefit on a trial basis.

Medicare/CHAMPUS linkage.—The Committee endorses the legislative proposal of the Defense Department which would allow the DOD to utilize the purchasing power of the medicare program to ensure that Federal Government expenditures for inpatient care in civilian hospitals will be as cost effective as possible. The Committee believes it is illogical that different rates are charged to different Government insurance programs and urges the authorization of this proposal.

Coordinated benefits with third-party payers.—The Committee supports, in principle, a DOD legislative proposal which prevents private insurance companies from continuing to enforce exclusionary clauses and allows DOD to recoup costs for services rendered at base facilities to military dependents and retirees who possess private health insurance. The estimated savings for the Government could be in excess of $200,000,000 per year when fully implemented. The Committee is concerned that the effect on private health insurance premiums in some communities with a large concentration of military members could be adverse. To date, the Defense Department has not adequately addressed this troublesome issue nor responded to claims that private insurers would be unable to negotiate a suitable charge for costs incurred. The Committee believes these problems can be resolved and encourages the Defense Department to seek resolution in these areas and proceed to an agreeable implementation of this cost-effective program.

Family advocacy.—The Committee recommends inclusion of $12,000,000 for the continuation and expansion of the family advocacy program. This represents an increase of $4,500,000 over the fiscal year 1984 appropriation and the current budget request. The Committee is recommending a funding increase for this program because the DOD has recently reported that during the first half of this year there has been a dramatic increase in the confirmed cases of child abuse and family violence. The Committee urges the Defense Department to work toward the complete elimination of family violence among military families.

Dental CHAMPUS.—The Committee has made available up to $5,000,000 for CHAMPUS to test, at the earliest April 1, 1985, preventive and basic restorative dental services for the age 17 and under dependents of active duty service members who fall below the poverty level. The Committee is uncertain whether the total compensation of any military member would allow them to qualify for this program. However, the Committee believes if any active duty service member's total direct and indirect compensation as reported on the member's annual personal statement of military compensation places the member below the poverty level as defined by the Bureau of Labor Statistics, then dental care of the dependents under 17 of such a member should be provided on a test basis. The funds provided are limited to diagnostic, preventive, and emergency dental services, with Government payment of 100 percent of charges, and basic restorative services, primarily fillings, and prosthetic appliance repairs, for which the Government shall pay 80 percent and the patient 20 percent of the charges. Gold and cast restorations, such as crowns, inlays, and outlays, are specifially excluded. Because of the specific funding limitation, the Secretary of Defense is directed to analyze the eligible population and determine if the available funds will provide for coverage throughout the United States, or if the test program should be conducted in a specific region of the country before proceeding. The Committee will not consider any expansion of the test program which would change the eligibility criteria, or provide for additional funds through a supplemental or reprogramming request.

CHAMPUS demonstration authority.—The Committee recommends a provision to allow transfer of up to $100,000,000 from CHAMPUS to the military service hospitals to test health care demonstration projects. The provision will allow the Defense Department to transfer funds for the programs listed here without requesting formal reprogramming authority. The programs requested by the Defense Department and approved for transfers under this provision are: Preferred provider demonstrations, Walter Reed psychiatric program, three catchment area demonstrations, MTF/VA/CHAMPUS sharing, and San Diego HMO expansion.

CIVILIAN PERSONNEL

Cooperative education program.—Cooperative education (co-op ed) is an educational plan under which colleges and universities require, as part of a student's curriculum, work-study assignments or internships prior to completion of academic requirements for graduation. A number of Federal agencies, including DOD, participate in this program. For several years the co-op ed program has allowed students who successfully complete all course requirements at an accredited school and are recommended by their agencies to be eligible for career or career-conditional appointments in the civil service. Since 1981, the Defense Department has followed language regarding co-op ed included in the fiscal year 1981 House report to the Defense appropriation bill. The report established a ceiling on DOD co-op ed students at 4,819, required co-op ed students to pass the PACE exam in order to be eligible for permanent civil service appointment, and reduced funding for the program by $3,500,000. The House was concerned that the Defense Department was ignoring qualified candidates who had passed the PACE and hiring co-op ed students instead. The Senate disagreed with each of these restrictions, but Senate conferees agreed to reduce funds related to the co-op ed program as suggested by the House.

In fiscal year 1985, DOD requested elimination of the ceiling on co-op ed students. The Committee has reviewed this request and is not convinced that the ceiling is serving its intended purpose. Because the PACE examination has not been offered by the Office of Personnel Management (OPM) for several years, hiring of civil service entrants has become more difficult. This, in turn, has forced a greater reliance on the use of co-op ed and other internships. The ceiling has reduced DOD's flexibility and increased the difficulty in recruiting quality college and university educated personnel. Further, the Committee does not believe that the DOD should be treated differently than other Government agencies. All co-op ed students are required to successfully complete a prescribed work-study program, as regulated by OPM, before consideration for permanent hiring. The Committee believes additional restrictions on the program should be determined by the Defense Department and OPM, unless specific abuses are documented. Finally, the Committee has consistently endorsed eliminating civilian end strength ceilings in favor of managing by funded work-years. Eliminating the co-op ed ceiling is in accord with this position.

STOCK FUND REPRICING

The Committee recommends a reduction of $684,800,000 from the budget request in view of a favorable declining trend in stock fund prices. This is $450,000,000 below the revised budget recommendation.

The Department's vigorous implementation of competition for consummable spare parts appears to be yielding lower prices than assumed at the appropriated level in the current fiscal year. The forecasted combination of decreasing prices and delayed obligations will produce excessive cash balances in the stock funds absent adjustments to stabilized rates. Rather than accrue such balances or adjust rates, the recommended reduction should be passed along through the various operating accounts and refunded on an equally divided basis from each of the stock funds, excluding the Marine Corps fund. The allocated reduction is detailed in the various operating account sections of the report.

REAL PROPERTY MAINTENANCE

The Committee recommends $4,065,500,000 at the budgeted level for real property maintenance. While this is $159,700,000 higher than assumed by the authorization or revised budget, the Committee is concerned that the projected $3,600,000,000 backlog will be further aggravated if such reductions were implemented. The budgeted program is about $600,000,000 over the current year, yet the backlog, which is nearly $1,300,000,000 over the congressional containment level, has remained relatively constant over the past 3 years. The Committee considers real property maintenance reductions to be ill-advised at this time.

INDIRECT FOREIGN NATIONAL PAY RAISE

The Department of Defense recently adjusted the worldwide estimates for indirect foreign national employee pay raises below the budgeted level. An aggregate reduction of $25,500,000 which reflects the impact of these adjustments is distributed through each of the operating accounts.

HUMANITARIAN ASSISTANCE

The Committee recommends a general provision which permits the expenditure of operation and maintenance funds for humanitarian and civic assistance if such activity is incidental to authorized military operations.

The Comptroller General recently issued a finding that recent humanitarian and civic assistance expenditures of Defense Department funds in connection with training exercises were in violation of section 1301(c) of title 31 of the United States Code. The Committee agrees that such activities should be carried out primarily by agencies of the Federal Government assigned responsibility. However, the Committee does not believe that Congress intended completely to foreclose Defense Department activities which yield social, humanitarian, or civic benefits. To the extent that such benefits are incidental to authorized operations, reasonable expenditures of this kind should be allowable.

U.S. Government funds for planned international humanitarian relief programs are covered by foreign operations appropriations for economic assistance. Activities of the Defense Department should in no way supplant, replace, or offset ongoing humanitarian relief programs of the appropriate Federal agencies with primary jurisdiction.

OPERATION AND MAINTENANCE, ARMY

1984 appropriation	$17,297,576,000
1985 budget estimate	19,486,518,000
Committee recommendation	18,574,318,000

The Committee recommends an appropriation of $18,574,318,000. This is $912,200,000 below the budget estimate.

This appropriation provides for the activities of the active Army, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, direct care medical programs, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	Budget revision	Committee recommendation
Fuel	-21,700	-33,000
Stock fund price reestimate	-172,800	-322,800
Foreign currency revaluation	-309,800	-309,800
Servicewide support		-10,000
Base operating support	-12,600	
Support to other nations	-3,000	-3,000
Environmental restoration	-32,000	-107,400
Consultants		-2,000
Minor construction	-18,000	
Care of supplies in storage	-18,400	

[In thousands of dollars]

	Budget revision	Committee recommendation
Depot maintenance backlog reduction	- 113,000	+ 15,000
Flying hours maintenance support		+ 29,000
Maintenance and logistics support	- 29,100	- 6,900
Administration	- 20,000	- 10,000
Deactivate Guard Roland unit	- 42,900	
Asset Capitalization Program	- 22,700	
Industrial preparedness	- 15,000	- 15,000
Ammunition demilitarization	- 23,000	- 8,000
Sealift transportation rates	- 5,000	- 5,000
Civilian end strength		- 46,800
Operating tempo		- 16,600
Flying hours		+ 21,100
Force modernization		- 87,000
Indirect foreign national pay raise		- 12,000
GSA lease rates		+ 18,000

COMMITTEE ADJUSTMENTS

Force modernization.—The Army estimates the cost associated with fielding and sustaining new weapons systems will be $2,213,000,000 in fiscal year 1985. These are incremental costs above current expense to operate systems which have been fielded for a number of years. The driving factors are the average cost per system and the number of systems to be fielded. Based on current data, the request is overstated by $87,000,000 and a reduction is recommended accordingly.

In fiscal year 1985, the budget for force modernization is narrowed to include only the costs needed to distribute and initially sustain new systems deliveries.

In narrowing the definition, the budget justification now includes much less system-level detail for the program, and, even more important, the available data by system does not reflect total growth in program costs. The detailed system-level budget exhibit includes only one-time fielding costs for 47 system groups, totaling $715,000,000. However, this figure is substantially less than the total funding requirements to sustain previously delivered weapons systems.

Since the budget submission, the Army has continued to redefine and the force modernization program. Budget data formerly shown as fielding costs now are part of the disparate cost elements within the amorphous operating budget. The total operating cost of the modernized Army is much higher than the amount now defined as force modernization.

For the fiscal year 1986 budget, the Army should continue to maintain budget data for both one-time and recurring costs. The budget exhibit should clearly display funds requested for fielding and initial sustainment; additions to the sustainment base; force modernization funds which migrate into or out of Army's aggregate core funding; and other special aggregate funding categories, not divisible by system, that provide additional OMA funds to force modernization.

Further, the Army should continue to maintain comparable planning and actual execution data remain available by system in a format which supports budget requirements.

Flying hours.—The Committee recommends an increase of $21,100,000 for an additional 110,000 Army helicopter flying hours. The current budget request supports barely two-thirds of the established readiness and proficiency objective for helicopter crews. This increase will improve the average flying hours per month/crew from the budgeted rate of 12.6 to approximately 15 hours, as opposed to the objective of about 18 hours.

An additional $29,000,000 included for depot maintenance is recommended to accelerate engine and component repair to support the higher flying hour levels. The Army is expected to take necessary management actions to improve the current repairable material return rate of about 80 percent to at least 97 percent. This unacceptably low rate of return for repairable components has, in part, seriously hampered the Army's ability to adequately support the flying hour objective. As a means to remedy this condition, the Committee expects the fiscal year 1986 budget to be based on a stock funding of aviation repairables. This budgeting concept will reveal the actual flying hour cost and motivate the operating commands to improve repairable component return rates.

Army should seek OSD approval to incur additional stock fund obligations for procurement of consumable support items. A recommended increase of $84,600,000 is included in the Army aircraft procurement section of this report for replenishment spares to continue a gradual increase in parts stockage levels in support of an enhanced flying hour rate. The Army is expected to continue this trend in future budgets for stock funded repairables.

Depot maintenance.—An increase of $15,000,000 is recommended to eliminate the estimated backlog of maintenance and repair of major weapon systems.

The original budget submission assumed a backlog of approximately $130,000,000. The Army recently evaluated the materiel maintenance program in light of two developments. Roughly $80,000,000 of workload previously estimated as required in the coming fiscal year was deferred to fiscal year 1986 funding. This addressed specific concerns raised by the General Accounting Office regarding workload carryover and improper extension of funding beyond the scope of an appropriation. In addition, the decision to reduce operating tempo in conformance with planned training objective will diminsh the number of weapon system components requiring repair.

Consequently, the recommended allowance will provide for the total overhaul and repair requirements estimated for fiscal year 1985, notwithstanding revised budget and authorization assumptions.

Operating tempo.—A recent Army decision to decrease the planned operating rates for major weapon systems permits a reduction of $16,600,000. This adjustment matches the planned training objective for fiscal year 1985.

Supply and transportation.—A reduction of $23,000,000 is recommended from industrial preparedness and conventional ammunition demilitarization as recommended in the revised budget.

Chemical ammunition demilitarization.—The Committee supports $15,000,000 in the original budget request for chemical ammunition demilitarization, contrary to revised budget and authorization recommendations. The Army should proceed with the planned disposal of nerve agent filled M55 rockets and M23 land mines.

Beckley Military Entrance Processing Station.—The Committee has become aware of reports that the military entrance processing station located at Beckley, W. Va., is being considered for relocation. The Committee believes that such a transfer would have a serious adverse impact on the local economy, not only in terms of jobs, but in revenues associated with the location of that station. Therefore, the Committee directs that no action be taken to transfer that station or its personnel from Beckley.

GSA rates.—An additional $18,000,000 is recommended to adjust the budget to current cost projections for reimbursements to the General Services Administration for property leases. The Army budgeted $103,247,000 for leased property standard level user charges based on a price growth factor of 4.8 percent. Subsequent to the budget submission, Army was advised of a change in the rates to 22.6 percent above the fiscal year 1984 budget level.

Other reductions.—Specific reductions not otherwise discussed are based on the May budget revision submitted by the Department of Defense or assumptions included in the Senate authorization bill.

OPERATION AND MAINTENANCE, NAVY

1983 appropriations	$22,249,628,000
1985 budget estimate	26,248,426,000
Committee recommendation	25,390,326,000

The Committee recommends an appropriation of $25,390,326,000. This is $858,100,000 below the budget estimate. This appropriation provides for the activities of the active Navy, including the pay of civilian personnel, operation and maintenance of aircraft, vessels, equipment and bases, training, direct care medical programs, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	Budget revision	Committee recommendation
Fuel	-120,400	-352,700
Stock fund price reestimate	-62,000	-212,000
Foreign currency	-58,400	-58,400
Other base operations		-6,000
Other training support	-20,000	-20,000
Environmental restoration	-8,900	-40,200
Consultants and contract support	-21,000	-21,000
Travel	-14,000	-14,000
Ship overhauls	-320,400	-88,600
Ship operations		-25,000
Real property maintenance	-58,100	
Flying hours	-18,400	
Field operations		-25,000
Other logistics support	-52,000	-27,000
Sealift surge		+7,700
TAFS modifications		-7,500
T-AGOS operations		-14,000
P-3A aircraft mods		+4,900
TAKX termination liability		+72,000
Indirect foreign national pay raise		-6,300
Sealift rates		-25,000

COMMITTEE ADJUSTMENTS

Polar icebreakers.—The Committee recommends bill language to transfer $10,500,000 budgeted in the Navy operating account to the Coast Guard for fixed costs of polar icebreaker operations. For the last 3 years the Coast Guard has operated icebreakers on a cost-reimbursement basis. Operations pertaining to Navy priorities have been charged to the Navy operating account. However, vagaries of scheduling and occasional shift of user agency priorities has complicated program management which dilutes the advantages of a cost-reimbursable system. Consequently, the Navy proportional share of icebreaker fixed costs should be transferred back to the Coast Guard for central fiscal management.

Ship leasing.—Recommended bill language expands an existing provision of law which requires budgeting for a portion of termination liability for T-AKX and T-5 ship leasing contracts. The modified provision requires the Navy to record obligations for ship operations charter hire costs on an annual basis. Current procedures permit recorded obligations in excess of annual budget values.

An estimated $218,000,000 is required to cover 10 percent of termination liability reserve for nine TAKX ships expected for delivery in fiscal year 1985. The Committee recommends an additional $72,000,000 above the $146,000,000 budget level to conform to the current estimate.

Some confusion has arisen as to the timing required to record obligations. To comply with congressional direction, the Navy should post the liability reserve in the fiscal year of estimated ship delivery assumed in the budget request.

TAFS stores ship modifications.—An allowance of $20,400,000 is recommended to convert and install new equipment on the stores ship

Saturn. The reduction of $7,500,000 still permits modification funding nearly double the acquisition cost of the vessel.

T-AGOS surveillance ship operations.—The Committee recommends a decrease of $14,000,000 from the budget request for operation of an additional five T-AGOS surveillance ships based on projected ship delivery slippages.

Ship overhauls.—The Committee recommends a reduction of $88,600,000 based on a series of adjustments to the budgeted ship overhaul program.

A $43,600,000 savings is achieved by reducing the work package planned for the training aircraft carrier *Lexington* overhaul. Since 1962 the Navy has used the 41-year-old nondeployable *Lexington* as a platform for student pilot training and fleet qualifications for A–6 and A–7 high performance aircraft. However, the ship is not configured to accept the mainstay of the Navy tactical airwings—F–14 and F–18 aircraft. Recognizing this deficiency, the Navy is reviewing long-term alternatives. The recommended allowance of $83,300,000 provides for a limited overhaul to retain the ship for a few years in the present configuration.

Concurrent with the fiscal year 1986 budget request, the Secretary of the Navy shall submit a firm plan to meet the future requirements for student pilot training and fleet qualifications. The submitted plan must include a cost comparison of the various alternatives examined to include: Substitution of the *Coral Sea* or *Midway* as the training carrier; upgrade of the *Lexington* to F–18 capability; new construction or conversion of a dedicated training carrier; or, use of deployable carriers to meet the training objective.

A further reduction of $45,000,000 is recommended based on a repricing of the entire overhaul program. Current favorable private shipyard bids are expected to continue through fiscal year 1985. Contrary to revised budget recommendations to defer planned work on the cruiser *Texas* and ballistic missile submarine *Benjamin Franklin*, the Committee allowance is sufficient to fund these budgeted overhauls.

With the virtual disappearance of the commercial shipyard work, the Committee recognizes that it is becoming more difficult to maintain a shipbuilding industrial base required in the event of mobilization. The problem is particularly acute at west coast shipyards which have experienced a marked decline in commercial and, in some cases, naval ship work. The Navy is urged to consider national industrial base requirements in the selection of bidding area coverage, with special attention to distressed small business concerns—particularly in the Pacific Northwest region—for regular overhauls or shorter selected ship availabilities.

Ship and airwing operations.—The Committee recommends a reduction of $25,000,000 in the request for ship and airwing operations. The budget assumed a full year cost for *Coral Sea* operations, but completion of her overhaul is now expected to occur in January 1985. The allowance reflects the savings of one-quarter year operating costs.

Overhaul competition.—The Committee recommends bill language to permit the competition of two or more ship overhauls between the private and Government-owned Navy shipyards. Traditional practice has been to establish a funding limitation on the value of overhauls to be accomplished in naval shipyards. This procedure bears little relationship to industrial planning, nor does it provide an incentive for cost efficiency. The proposed test program would examine the prospect of balancing public and private industrial base concerns while yielding economy through competition.

The Committee does not intend for the test program to be a permanent conversion of work to the private sector. Consequently, the test should not be subject to the reporting requirements of section 502 of the Fiscal Year 1981 DOD Authorization Act, as amended, or the cost comparison procedures of OMB Circular A-76. Changes in the industrial fund rate structure in the past few years permit an initial baseline for comparison of public to private shipyard costs. Congressional relief from civilian work force ceilings at industrial activities places public shipyards on comparable footing with private sector work force practices. The recent inclusion of shipyard capital equipment replacement costs in the industrial fund rates conforms to normal business accounting procedures. With some modest adjustments, the naval shipyard cost accounting standards permit the formulation of overhaul price quotations in accordance with competitive bidding procedures.

Bill language provides that the Secretary of the Navy must certify prior to contract award, that the successful bid incorporates comparable estimates of direct and indirect costs for public and private shipyards.

The Secretary of the Navy should report to the Committee on the results of the test and provide an assessment of competition on the public and private shipyard industrial base.

Underutilized plant capacity.—The Committee directs the Secretary of the Navy to determine the ordnance mobilization base, report excesses and shortages within the current base, and delineate corrective action planned by June 1, 1985.

In fiscal year 1983, the Navy established a new fiscal policy to centrally fund the cost to maintain the ordnance mobilization base when operating levels at naval ordnance facilities are below wartime requirements. The new policy was intended to reveal actual production costs at ordnance facilities by separately budgeting the cost of maintaining facilities needed solely in the event of wartime mobilization. A corollary benefit of this change in policy was to create a baseline to compare wartime requirements with existing ordnance capacities. The budget justification material does not indicate that any such comparative review has been conducted. Consequently, the Committee is concerned that the centralized funding is being spent on maintaining duplicative or outmoded plant and equipment while necessary facilities to support wartime requirements may not exist. The Secretary's review and report may help alleviate this concern.

Computer aided design and manufacturing.—The Navy is instructed to report to the Committee on the potential expansion of computer aided design and manufacturing techniques at the Government-owned naval shipyards and engineering centers.

Over the past several years, most private shipbuilders have converted to computer aided systems yielding 20 to 30 percent reductions in target costs. In view of these impressive results, the Committee feels that more extensive use of these proven techniques could yield similar savings in Government operations. Although the Navy has invested over $5,000,000,000 in ADP systems and computer applications, less than $100,000,000 has been committed to pursue potential computer aided design and manufacturing savings. The Navy's report addressing the potential for expansion of such computer techniques should accompany the fiscal year 1986 budget request. Preliminary findings by the Naval Sea Systems Command should formulate the basis of the report.

Sealift rates.—The Military Sealift Command recently negotiated charter rates for the first two quarters of fiscal year 1985 substantially below budgeted levels and the trend is expected to continue. Rather than adjust the budget rates, the recommended reduction of $25,000,000 reflecting lower costs should be accommodated within the Navy operating account and repaid incrementally at the higher stabilized rates by military user activities through the fiscal year.

Other reductions.—Specific reductions not otherwise discussed are based on the May budget revision submitted by the Department of Defense or assumptions included in the Senate authorization bill.

OPERATION AND MAINTENANCE, MARINE CORPS

1984 appropriation	$1,547,720,000
1985 budget estimate	1,683,069,000
Committee recommendation	1,633,469,000

The Committee recommends an appropriation of $1,633,469,000. This is $49,600,000 below the budget estimate.

This appropriation provides for the activities of the active Marine Corps, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

All Committee recommended adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	Budget revision	Committee recommendation
Fuel	-1,900	-40,400
Foreign currency	-14,800	-14,800
Camouflage screens	-8,200	-8,200
Commercial activities	-9,000	-9,000
Contract support services/studies	-1,000	-1,000
Sealift support—MPS		+27,200
Indirect foreign national pay raise		-3,400

Prepositioning support and equipment.—Four additional maritime prepositioning ships are now scheduled for delivery in fiscal year 1985 which were not anticipated when the budget was formulated. A recommended increase of $27,200,000 is intended for port handling costs, equipment and supplies, and transportation of ammunition and cargo designated for the additional ships.

Fuel.—The Committee recommendation provides no direct appropriation allowance for fuel, but assumes that the Marine Corps programmed fuel requirements will be satisfied by credits from the defense stock fund.

Other reductions.—Specific reductions not otherwise discussed are based on the May budget revision submitted by the Department of Defense or assumptions included in the Senate authorization bill.

OPERATION AND MAINTENANCE, AIR FORCE

1984 appropriation	$17,717,145,000
1985 budget estimate	20,234,500,000
Committee recommendation	19,336,639,000

The Committee recommends an appropriation of $19,336,639,000. This is $897,861,000 below the budget estimate.

This appropriation provides for the activities of the active Air Force, including the pay of civilian personnel, operation and maintenance of aircraft, equipment and bases, training, direct care medical programs, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	Budget revision	Committee recommendation
Military support	- 1,000	- 1,000
Civilian work-years	- 93,400	- 93,400
Civilian end strength		- 109,200
Space Operations Center	- 5,000	- 5,000
Transportation	- 4,000	- 4,000
Environmental restoration	- 39,000	- 97,300
Precision location strike system		- 2,300
Classified programs		- 5,200
Foreign currency	- 94,200	- 94,200
CRAF airlift support	- 29,000	- 29,000
Defensewide mission support	- 15,500	- 15,500
ADP equipment	- 21,000	- 21,000
Consultants		- 4,000
Fuel	- 173,700	- 374,400
Medical readiness	- 200	
Family support centers	- 1,200	- 1,200
Flying hours	- 47,000	
Real property maintenance	- 65,000	
Aircraft EMP alert	- 1,600	- 1,600
Transfer 24 F-4E to Guard	- 14,000	- 14,000

[In thousands of dollars]

	Budget revision	Committee recommendation
HH-60 slip	-500	-500
CADIN Pinetree phaseout	-11,000	-11,161
CONUS OTH-B radar		-1,900
Airbase ground defense		-5,800
Component repair		+100,000
P-3A aircraft mods		-9,500
T-39 aircraft ops		-1,800
AFSC transfer from R&D		+108,900
Stock fund price reestimate		-150,000
Indirect foreign national pay raise		-3,800
MAC airlift rates		-50,000

COMMITTEE ADJUSTMENTS

Aircraft component repair.—The Committee recommends an increase of $100,000,000 for repair of exchangeable aircraft components. The original budget plan assumed an aircraft depot maintenance backlog of $133,800,000, primarily composed of deferred component repair.

The budgeted program seems to emphasize the least cost-efficient alternative for aircraft readiness support. Although repair of inventory components is less than 15 percent of the cost of new procurement, the Air Force elected to budget a 30-percent increase for replenishment spares procurement while assuming a repair backlog. Furthermore, the budget request continues the annual quantum flying hour increase which, in turn, will force higher spare parts consumption rates. This portends future growth in maintenance backlogs and burgeoning spare parts requirements. If the Air Force remains committed to attaining a higher flying hour objective, the Committee expects the fiscal year 1986 budget to include all funding requirements for aircraft depot maintenance.

Base operations transfer.—A transfer of $108,900,000 is recommended from the R&D account to properly reflect base operation costs in the operating account. The Air Force Systems Command has traditionally budgeted R&D funds for personnel, utilities, maintenance and repair of facilities, and other such operating expenses for bases under its operational control. The rules which govern the propriety of appropriation funding are independent of organizational mission. With limited exceptions, operating costs should be covered by operating appropriation account funding. While base operation costs may be attendant to research and development activities, such operating expenses are most appropriately covered in the Air Force O&M account.

The recommended transfer includes base operations funding at bases operated primarily by AFSC. Personnel cost estimates have been excluded from the transfer since the budget justification material does not make a clear distinction between pure R&D activity and normal base operation personnel requirements. The Committee instructs the Air Force to submit the fiscal year 1986 budget request based on these criteria and convert to O&M funding all activities not otherwise directly related to a specific research and development program.

CT-39 aircraft operations.—The Committee recommends a reduction of $1,800,000 from funds budgeted for T-39 aircraft engine maintenance as the aircraft are scheduled to be retired.

A combination of 120 leased C-21A and C-12F aircraft are scheduled gradually to replace the CT-39 executive style jets over the next few years. The Military Airlift Command has been assigned financial and program responsibility for the leased aircraft.

The Air Force has argued that the CT-39 aircraft are solely for training of pilots. Personnel transportation is considered incidental to the training mission, which would suggest that MAC should not bear the entire responsibility for aircraft operations. In view of this philosophy, the Committee instructs the Air Force to develop the fiscal year 1986 budget based on an apportionment of CT-39 aircraft and replacement flying hour costs to each of the respective operating commands. This fully supports the Air Force contention that such flying hours are incurred on the basis of training and proficiency requirements, independent of transportation services. For example, under this accounting procedure, flying hours to attain proficiency or "season" tactical fighter pilots should be budgeted by the Tactical Air Command. If flying hours begin to exceed budget projections, the responsible command should accommodate these additional training costs within the operating budget.

Airlift costs.—The Committee recommends a reduction of $50,000,000 based on current projections of airlift costs and balances of the airlift industrial fund. The Military Airlift Command transportation services are provided based on a recovery of cost by reimbursement from military user activities. Therefore, transportation of cargo is factored on a cost rate per flying hour. The Air Force estimates that reimbursements based on budgeted rates will exceed actual airlift costs by $50,000,000 the amount recommended for reduction.

Other reductions.—Specific reductions not otherwise discussed are based on the May budget revision submitted by the Department of Defense or assumptions included in the Senate authorization bill.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

1984 appropriation	$6,547,914,000
1985 budget estimate	7,338,370,000
Committee recommendation	7,126,470,000

The Committee recommends an appropriation of $7,126,470,000. This is $211,900,000 below the budget estimate.

This appropriation finances the operation and maintenance costs of the Office of the Secretary of Defense, the Office of the Joint Chiefs of Staff (JCS), nine Defense-wide agencies, and several field activities. Included are funds for American Forces Information Service, Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), Tri-Service Medical Information System (TRIMIS), Dependents Education, Uniformed Services University of the Health Sciences (USUHS), and the Washington Headquarters Service.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	Budget revision	Committee recommendation
OPERATION AND MAINTENANCE, DEFENSE AGENCIES		
Defense Mapping Agency—Accounting change	-$3,000	-$3,000
Gravity data collection	-7,400	-7,400
OSD—Travel	-425	-425
Consultant contracts	-1,584	-5,575
NSA—Foreign currency rate	-2,700	-2,700
DNA nuclear weapons accident exercise	-1,400	-1,400
Travel	-500	-500
JCS—Special fund	-6,838	-50,000
Management HQ	-1,367	-1,400
JCS exercises	-1,000	-1,000
DCA—Administration and training	-1,400	-1,400
Information systems	-500	-500
Other mission support	-2,900	-2,900
DLA—Foreign currency	-2,800	-2,800
Other logistics support	-4,200	-4,200
Defense Investigative Service	-500	-500
USUHS—Civilian work-years	-500	-500
Inspector General—Civilian work-years	-500	-500
Defense Audiovisual Agency	-500	-500
WHS—ADP systems	-1,900	-1,900
CHAMPUS	-37,376	-37,400
CHAMPUS dental		+5,000
AFIS—Reduce broadcasts and films	-1,300	-1,300
Dependent schools—Foreign currency	-17,300	-17,300
TRIMIS	-1,787	-1,800
Classified activities		-29,800
Civilian end strength reduction		-13,000
Environmental restoration		-31,700
Family advocacy		+4,500

COMMITTEE ADJUSTMENTS

CINC readiness fund.—The Committee recommends a reduction of $50,000,000 from the request for discretionary funds of the unified Commanders-in-Chief (CINC). This is the third year the Defense Department has requested funds for unspecified contingencies to be held in reserve for the CINC's to expend for unknown purposes. The only notable distinction between this request and previous attempts is a change in the name of the fund from "readiness" to "special." Once again, the Committee fails to see anything readiness related or special in a request for funds in the absence of requirements. The perogative of the CINC's to direct remedial action using funds appropriated to the military services for operation and maintenance is a sufficient degree of discretion to cover any unforeseen contingency. Concurrently, the requested bill language earmarking the special funds for the CINC's is denied.

ADP equipment replacement.—The Committee notes that the Department of Defense is beginning an ADP equipment replacement program for the Defense Logistics Agency to comply with congressional direction last year to buy-out leased ADP equipment. The requested $10,000,000 approved for initial procurement costs is recognized to be the first increment of a long-term program to yield substantial operation and maintenance savings. The Committee instructs that this ADP equipment replacement program is to be exempt from any diversion of funds for any other purpose. The Defense Logistics Agency is directed to insure that the replacement program complies with the congressional policy of replacing systems at the lowest total overall cost to the Government.

Other reductions.—Specific reductions not otherwise discussed are based on the May budget revision submitted by the Department of Defense or assumptions included in the Senate authorization bill.

Operation and Maintenance, Army Reserve

1984 appropriation	$692,390,000
1985 budget estimate	715,450,000
Committee recommendation	713,150,000

The Committee recommends an appropriation of $713,150,000. This is $2,300,000 below the budget request.

This appropriation provides for the activities of the Army Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	Budget revision	Committee recommendation
Fuel	-$1,100	-$1,100
Paid drill strength	-1,200	-1,200

Operation and Maintenance, Navy Reserve

1984 appropriation	$636,590,000
1985 budget estimate	829,531,000
Committee recommendation	812,431,000

The Committee recommends an appropriation of $812,431,000. This is $17,100,000 below the budget request.

This appropriation provides for the activities of the Navy Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities. Costs of operating the Marine Reserve Air Wing are also included.

SUMMARY OF COMMITTEE ADJUSTMENTS

All committee adjustments recommended, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	Budget revision	Committee recommendation
Fuel	-$7,100	-$17,100
Real property maintenance	-4,000	

Burlington Naval Reserve Center.—The Committee urges the Naval Reserve to work with the city of Burlington, Vt., to arrive at a mutually satisfactory relocation for the Naval Reserve Center. The Committee believes that the city's waterfront development plans necessitate the relocation and recommends that an agreement on a suitable site and facility be reached before the expenditure of the $50,000 currently budgeted for renovations of the present facility. It is the Committee's view that these funds would be far more effectively spent in cooperation with the city of Burlington, Vt., to secure a permanent site for the Naval Reserve Center. Therefore, the Committee recommends that the Naval Reserve state formally its intention to relocate, not enter into a contract for the rehabilitation of the existing facility, reprogram the $500,000 already budgeted for rehabilitation to lease or buy a new facility, and work expeditiously with the city to find alternative quarters.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

1984 appropriation	$52,349,000
1985 budget estimate	58,642,000
Committee recommendation	58,642,000

The Committee recommends an appropriation of $58,642,000, the same as the budget request.

This appropriation provides for the activities and training of the units of the selected reserve of the Marine Corps, including the pay of civilian personnel and all associated activities.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

1984 appropriation	$791,150,000
1985 budget estimate	883,461,000
Committee recommendation	872,461,000

The Committee recommends an appropriation of $872,461,000. This is $11,000,000 below the budget request.

This appropriation provides for the activities of the Air Force Reserve, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

All Committee recommended adjustments to the budget estimate, including those not specifically addressed in this report, are summarized in the following table:

[In thousands of dollars]

	Budget revision	Committee recommendation
Fuel	-$6,800	-$64,000
Civilian personnel	-4,000	-4,000
KC-135 reengining		+56,000
F-4D upgrade		+1,000

COMMITTEE ADJUSTMENTS

Fuel.—The recommended $64,000,000 fuel reduction is based on expected credits or refunds from the Defense Stock Fund in order to draw down excessively high cash balances in the fund. No decrease in Air Force Reserve flying hours is anticipated.

KC-135 reengining.—The Committee recommends an increase of $56,000,000 to refurbish and install commercial JT3D engines aboard the 24 Reserve KC-135 tanker aircraft. The Fiscal Year 1984 Supplemental Appropriations Act provided for the purchase of B-707 donor aircraft to obtain the commercial engines. This continues the Committee's initiative over the last 3 years by extending the program to the Air Force Reserve in order to modernize and improve the cost efficiency of tanker aircraft.

By selecting the so-called KC-135E alternative, the Committee recognizes this will accelerate the Air Force plan for reengining Reserve tankers by at least 10 years. Clearly this alternative does not provide the eventual, but superior, performance and fuel efficiency improvements contemplated under the more costly Air Force plan. However, the Committee views the earlier delivery of the KC-135E as an acceptable tradeoff under the circumstances. The Air Force will be compelled to redress the incompatability of the KC-135E to the Strategic Air Command's protracted tanker modernization plan for the Active Force, but this is certainly a long-term problem for which ample time is available for an acceptable solution.

F-4D upgrade.—A recommended increase of $1,000,000 provides operating funds necessary to complete F-4D upgrade modifications included in the procurement section.

Civilian personnel.—A decrease of $4,000,000 conforms to revised budget and authorization assumptions for civilian personnel compensation allowances.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

1984 appropriation	$1,188,390,000
1985 budget estimate	1,404,643,000
Committee recommendation	1,395,593,000

The Committee recommends an appropriation of $1,395,593,000. This is $9,050,000 below the budget request.

This appropriation provides for the activities and training of the Army National Guard, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimates, including those not specifically addressed in this report, are summarized as follows:

[In thousands of dollars]

	Budget revision	Committee recommendation
Fuel	-$3,300	-$6,300
Paid drill strength	-7,800	-7,800
ROLAND unit	-5,100	
UH-60 transfer		+3,000
Devil's Lake runway improvement		+1,650
Environmental projects		+400

COMMITTEE ADJUSTMENTS

Winter clothing.—The Committee instructs that $500,000 shall be available only for the purchase of winter clothing and gear for the Vermont Army National Guard.

Fuel.—A decrease of $6,300,000 is based on expected credits or refunds from the Defense Stock Fund to draw down excessively high balances accrued from fuel sales to the operating accounts. No reduction in Army National Guard operating rates is anticipated.

Roland unit.—The Committee recommends funding at the budgeted level for continued Roland missile fire unit operations. This reverses the revised budget recommendation to deactivate Roland and replace with Chapparal to conform to Active Force equipment.

Paid drill strength.—The reduction of $7,800,000 from paid drill strength funding levels conforms to the revised budget and authorization assumptions.

UH-60 transfer.—A recommended increase of $3,000,000 for operating costs accompanies the UH-60 transfer detailed in the procurement section of this report.

Environmental projects.—The Committee recommends an increase of $400,000 for a 1-year pilot project to permit Army National Guard and Reserve engineering units in Hawaii, Alaska, Idaho, and Oregon to coordinate projects with national, State, and local agencies.

Army National Guard and Army Reserve units perform thousands of civic action community service activities each year. Drawing on an example from Oregon, civic actions should be geared toward park maintenance projects that neither compete with private contractors nor dilute the primary combat readiness mission of the units involved. These might include, as in Oregon, tactical exercises that have resulted in stabilized river banks, new footbridges, rebuilt roads, campgrounds, shelters, hiking trails. In order to test the concept, Army National Guard and Army Reserve commands in these States shall be provided funds necessary to cover 1-year administrative costs for activities geared toward park maintenance. At the end of a year, the involved parties, including the affected park services, will report to the Committee on the effectiveness of the test programs and possible future applications.

Devil's Lake runway improvements.—The Committee recommends an increase of $1,650,000 and bill language directing the upgrade and asphalt overlay of the Devil's Lake Municipal Airport at Devil's Lake, N. Dak. Runway improvements are required to accommdoate C–130 aircraft in support of planned Army National Guard exercises at nearby Camp Grafton.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

1984 appropriation	$1,807,650,000
1985 budget estimate	1,862,148,000
Committee recommendation	1,810,348,000

The Committee recommends an appropriation of $1,810,348,000. This is $51,800,000 below the budget request.

This appropriation provides for the activities of the Air National Guard, including the pay of civilian personnel, operation and maintenance of facilities and aircraft, support of training activities, and all associated activities.

SUMMARY OF COMMITTEE ADJUSTMENTS

Committee adjustments to the budget estimate, including those not specifically addressed in this report, are summarized as follows:

[In thousands of dollars]

	Budget revision	Committee recommendation
Fuel	-$21,600	-$69,000
KC–135 reengining		+17,200
C–19 (747) support	-30,300	

COMMITTEE ADJUSTMENTS

Fuel.—A reduction of $39,000,000 assumes credits or refunds for fuel to draw down the excessively high cash balances of the Defense Stock Fund. No decreases in Air National Guard flying hours are anticipated.

Drug interdiction.—The Committee commends the significant contributions of the Hawaii National Guard to the efforts of the State of Hawaii to identify and eradicate marijuana cultivation on State and Federal lands. The Committee has been advised, however, that the ability of the Guard to continue or expand its participation in such activities is limited by the availability of authorized and funded flight time and other such limitations.

The Committee, therefore, directs that there be conducted a study to identify the level of funding necessary to provide the Governor of the State of Hawaii with regular and continuous access to the resources of the National Guard for the purposes of obtaining assistance in marijuana eradication and drug intervention. The Committee further directs that the study include, but not be limited to, the necessary funding and funding mechanism, the maximum contribution which can be made without interfering with military readiness, and any means by which marijuana and drug intervention activities might be coordinated with military training or other related activities. The Committee further directs that the requested study be submitted to the Committee within 90 days of the passage of this bill.

KC-135 reengining.—The Committee recommends an increase of $17,200,000 to refurbish and install commercial JT3D engines aboard eight Air Guard KC-135 tanker aircraft. Purchase of the donor B-707 aircraft to obtain the commercial engines is provided under separate procurement authority. This completes the Air Guard program and accompanies the initiative outlined in the Air Force Reserve section of this title.

C-19 (747) support.—The Committee supports the budgeted level of $30,300,000 for C-19 operating support, notwithstanding revised budget assumptions.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

1984 appropriation	$909,000
1985 budget estimate	914,000
Committee recommendation	914,000

The Committee recommends an appropriation of $914,000, the same as the budget estimate.

This appropriation provides funds for the Board which promotes marksmanship training with military type individual small arms among able-bodied citizens outside the active services of the Armed Forces, formulates policy governing civilian marksmanship programs, and formulates rules and regulations governing national matches.

CLAIMS, DEFENSE

1984 appropriation	$160,400,000
1985 budget estimate	177,900,000
Committee recommendation	157,900,000

The Committee recommends an appropriation of $157,900,000, an authorized decrease of $20,000,000 below the budget estimate.

This appropriation provides for the payment of all noncontractual claims against the Department of Defense, as authorized by law, and represents the consolidated requirements of the Secretary of Defense and the Departments of the Army, the Navy, and the Air Force.

COURT OF MILITARY APPEALS

1984 appropriation	$3,372,000
1985 budget estimate	3,470,000
Committee recommendation	3,416,000

The Committee recommends an appropriation of $3,416,000. This is $54,000 below the budget in conformance with the revised budget recommendations.

This appropriation provides for the salaries of the three judges, officers and employees, and other necessary expenses of the Court. The Court, which is established pursuant to the Uniform Code of Military Justice, serves as the appellate court of last resort for the more serious court-martial convictions of military personnel.

ENVIRONMENTAL RESTORATION, DEFENSE

1984 appropriation	$150,000,000
1985 budget estimate	
Committee recommendation	314,000,000

The Committee recommends an appropriation of $314,000,000 for environmental cleanup programs at active and former Defense Department installations. Last year the Congress approved the establishment of this account and an appropriation of $150,000,000 based on the Committee's recommendation. To comply with the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Department of Defense, and other Federal agencies, bear responsibility for environmental remedial action at Federal facilities. The Defense Department recognized the commitment and budgeted $314,000,000 for this purpose.

While the Committee supports the budget request, funds recommended are again included in a central account. The budget request distributed funding in a variety of operating, procurement, and research and development accounts. Reductions in these accounts are reflected in the report to permit consolidation. By this action, the Committee seeks continued high visibility for the program, but alternative funding methods may be considered in subsequent budget requests. Furthermore, the aggregation of funds for environmental projects should by no means preclude the expenditure of operating funds from other military service or defense agencies accounts. The environmental restoration appropriation account should provide for the highest priority environmental projects throughout the Department of Defense. Additional projects not otherwise covered in this account should be actively encouraged as supplementary to this effort.

In fiscal year 1984 the Defense Department has vigorously pursued the management of this congressionally directed program and has obligated funds in an orderly manner. The next major phase of the program in fiscal year 1985 will require extensive engineering design and contract planning efforts. To provide financial management flexibility, a modified general provision includes a waiver from the annual prohibition against obligating more than 20 percent of appropriation account funding in the last 2 months of the fiscal year. This recommendation, coupled with approval of the request to grant such an exemption for claims and other smaller accounts, should not be construed as a precedent. These waivers are in recognition of the singular purpose of the accounts involved. The Committee does not foresee any prospect for expansion of the waiver coverage and will reexamine the specific exemptions recommended herein during the fiscal year 1986 appropriation deliberations.

In addition, the Committee recommends bill language instructing the Defense Department to transfer up to $6,000,000 to the Anchorage School District from this account for a share of the costs of asbestos removal, treatment, and facility rehabilitation at the Bartlett-Begich Junior/Senior High School. Almost half of the school is located on land leased to the Anchorage School District by the Department of the Army and roughly one-quarter of the students are military dependents. The asbestos removal project at Bartlett-Begich has been identified as one of the largest in the Nation, and is estimated to cost over $15,000,000 to resolve. The bill language provides for a one-time payment to the Anchorage School District to cover a portion of this total cost. The authority for transfer of funds covers the total estimated share for the Federal Government. To the extent that resources are transferred from other Federal agencies, the recommended bill language permits such payments as necessary for the balance of funds required to correct this environmental hazard.

TITLE III

PROCUREMENT

APPROPRIATION SUMMARY

The Committee recommends $99,314,304,000 for Department of Defense procurement programs in fiscal year 1985. This is a decrease of $8,272,037,000 below the budget request, $246,363,000 above the May 1984 budget revision, and $13,646,799,000 above the fiscal year 1984 appropriations. This amount provides over 10 percent real growth for fiscal year 1985 for defense procurement. Recommended allowances are tabulated below and explained in the following sections:

[In thousands of dollars]

	Fiscal year 1984 enacted	Fiscal year 1985 request	Committee recommendation
Aircraft procurement, Army	3,214,048	4,008,300	3,950,100
Account transfers			(30,000)
Missile procurement, Army	2,822,700	3,442,400	3,150,400
Account transfers	(32,600)		
Procurement of weapons and tracked combat vehicles, Army	4,594,103	5,092,700	4,421,735
Account transfers	(149,000)		(213,100)
Procurement of ammunition, Army	1,980,100	2,494,000	2,625,050
Account transfers			(44,000)
Other procurement, Army	4,680,528	6,022,400	5,256,850
Aircraft procurement, Navy	10,174,608	11,474,200	10,818,295
Weapons procurement, Navy	3,725,332	4,650,860	4,395,960
Account transfers	(77,800)		(20,000)
Shipbuilding and conversion, Navy	11,215,400	13,141,900	11,558,300
Account transfers	(615,800)		(347,400)
Other procurement, Navy	4,308,543	5,953,900	5,533,376
Procurement, Marine Corps	1,741,306	1,978,581	1,860,796
Aircraft procurement, Air Force	21,080,110	28,676,500	26,376,700
Account transfers	(323,100)		(111,000)
Missile procurement, Air Force	7,747,838	9,820,600	8,581,862
Account transfers	(55,000)		
Other procurement, Air Force	6,964,232	9,561,500	9,149,020
Account transfers			(14,500)
National Guard and Reserve equipment	176,000		431,000
Procurement, defense agencies	942,657	1,243,500	1,179,860
Defense Production Act purchases		25,000	25,000
Coast Guard equipment	300,000		
Total, title IV, procurement: New budget (obligational) authority	85,667,505	107,586,341	99,314,304
Total, transfers	(1,317,500)		(780,000)

HIGHLIGHTS

The Committee recommends $99,314,304,000 for procurement to continue modernization of the equipment of the Armed Forces. This is $8,272,037,000 below the budget. This recommendation allows a 10-percent increase in real funding over last year. Of this amount, $1,876,700,000 is for upgrading and reducing shortages of National Guard and Reserve equipment. The procurement investment in Guard and Reserve for the fiscal years 1983, 1984, and 1985 now totals over $3,296,200,000.

Major investments have been recommended to increase aircraft inventory for the Army, Navy, and Air Force. Substantial war-fighting capability will be added in the areas of fighter, attack, and transport aircraft. The upgrading of the naval forces continues with funding provided for new cruisers, destroyers, and submarines. The strategic forces will be strengthened again this year by investments in Trident, MX, and B–1 programs. Procurement of strategic and tactical antijam communication equipment will increase confidence in accurate, timely command, and control. Major purchases of missiles, torpedoes, and artillery are also recommended. The ammunition and spares accounts of each service have also been substantially raised.

RECOMMENDATIONS FOR THE ACTIVE FORCE

Major Committee recommendations in support of the Active Force will fund:

—Increased AH–64 helicopter production to 144 per year.

—86 UH–60 helicopters and 24 SH–60 LAMPS III helicopters, an increase of 8 UH–60's and 6 SH–60's over the request.

—84 F/A–18's and 24 F–14's.

—Increased production of 150 F–16 and 42 F–15 fighter aircraft.

—Eight C–5 transport aircraft, doubling production.

—Over $7,100,000,000 for 34 B–1 bombers, an increase of 24.

—One Trident ballistic missile submarine, four SSN–688 nuclear attack submarines, three CG–47 Aegis cruisers, and one DDG–51 destroyer.

—840 M–1 tanks and increase Bradley fighting vehicles production to 655.

—21 MX missiles.

—70 Pershing II missiles.

—440 Patriot antiaircraft missiles.

—803 HARM AGM–88A missiles, 1,250 Sparrow missiles, and 2,360 Stinger missiles, along with 9,822 TOW II antitank missiles.

—120 ground-launched cruise missiles and 180 ship-launched cruise missiles.

—1,565 MK–46 torpedoes.

—Increased conventional ammunition procurement to at least the 1982 levels.

RECOMMENDATIONS FOR THE NATIONAL GUARD AND RESERVE

The $1,876,700,000 recommended by this Committee for the National Guard and Reserve will fund these unbudgeted items:

—Army Guard AH–1G to AH–1S conversions ($30,000,000).

—Four additional UH–60A's for Army National Guard for over $130,000,000.

—1 year early, the introduction of Chaparral into the Army Guard ($32,000,000).

—138 improved TOW vehicles for the Army National Guard ($27,000,000).

—Acoustic processor improvements (triple vernier) for Naval Reserve P–3A's ($7,500,000).

—10 additional C–130H aircraft for the Air Force Reserve and National Guard ($179,000,000).

—Forward looking infrared (FLIR) equipment for Air National Guard squadron of 26 A–7 aircraft ($42,000,000).

—Completion of the smokeless engine modifications for all Guard and Reserve F–4D's ($18,000,000).

—Addition of an off-boresight capability for Guard and Reserve AIM–9L/M capable F–4's ($21,000,000).

—$431,000,000 worth of equipment for Guard and Reserve units to include commercial utility cargo vehicles, M113A3 personnel carriers, and other equipment designated by the services.

Also included in this amount are the following budgeted items:

—18 AH–64's for the Army National Guard ($133,200,000)

—95 Bradley fighting vehicles for the Army Reserve ($141,300,000).

—750 5-ton trucks for $60,000,000.

—Scoop loaders for the Army Reserve ($30,400,000).

—169 MK–46 torpedoes for the Navy Reserve ($27,600,000).

—Light armored vehicles for one Marine Reserve battalion ($116,900,000).

—54 laser designators for the Marine Reserve ($18,600,000).

—376 5-ton trucks for the Marine Reserve ($31,500,000).

—$370,400,000 for spares for the Air Force Reserve.

—$20,700,000 for 30mm training munitions for the Air Force Reserve.

—52 P–19 crash trucks for the Air Force Reserve ($8,600,000).

GENERAL ITEMS OF SPECIAL INTEREST

Spares and repair parts.—The Department of Defense requested $11,233,700,000 for new spares and repair parts, an increase of $1,821,200,000, or 19 percent, over fiscal year 1984 appropriations and $3,343,300,000, or 42 percent, over 1983. This is in addition to the funds provided in the O&M accounts for the maintenance and repair of the repairable components purchased with prior year procurement funds.

The Committee remains disturbed by the excessive pricing that has been reported by the Department in virtually all areas of the spare parts acquisition, a problem the committees of the Congress have looked into in depth this year. The Committee also notes the Department of Defense has taken a number of policy actions and is investing more of its resources in spares and repair parts acquisition. Reforms in the pending 1985 Defense authorization bill should also help improve the entire Department of Defense acquisition process.

Without question, better management is needed in the spare parts acquisition, but sustained levels of investment are also essential to maintain peacetime readiness levels and adequate wartime reserves. Accordingly, the Committee recommends the Department's full request for replenishment spares and war reserve repair parts except for certain modifications in the Air Force program. Some minor adjustments to initial spares are also recommended in agreement with production program adjustments.

The Committee estimates that over $230,000,000, or 2½ percent of the fiscal year 1984 appropriation for spares and repair parts, has been diverted despite the existence of billions of dollars in unfunded requirements for war reserve spares. Based on this pattern and the expectation that there will be significant additional savings accrued over and above those already claimed within the spares accounts in 1985, the Committee designates spares as an item of special congressional interest. Furthermore, the Committee directs that any savings from spares acquisition be invested in war reserve spares stocks to continue improving materiel readiness.

Finally, with respect to the fiscal year 1984 and 1985 appropriations, the Committee requests a consolidated report quarterly for each of the spares and repair parts lines indicating the cumulative obligation and unobligated balances by year for each category of parts (initial, replenishment, and war reserve) together with the estimated readiness shortfall. Furthermore, the Committee expects to be kept informed as to the effectiveness of the Department's policy initiatives in this area.

Below threshold new start reprogrammings.—The Committee directs that future below threshold requests to establish new P-1 program lines include, either in the basic letter or as an enclosure, a brief description of the total program being initiated. This information should include at least the total program costs, proposed funding and procurement quantities by year, enough background information to demonstrate that the item is ready for procurement, and an explanation of how subsequent years' funding will be provided if the budget line is not included in the budget request.

Program new starts by reprogramming.—The Committee is concerned about the practice of initiation and continued program funding through reprogramming requests. If programs are of sufficiently high priority to be initiated by reprogramming, they should also merit inclusion in a regular budget request. Accordingly, the Committee, except for extraordinary situations, will not favorably consider new start reprogramming requests for which the follow-on funding is not budgeted.

Guard and Reserve equipment.—The Committee applauds the progress being made to better equip the Reserve components. Testimony indicated, not unsurprisingly, that within the billions of dollars of wartime shortages, there are items which are needed today, in peacetime, for training. There are no wooden rifles being used today, but there are shortages of modern training equipment. The Committee directs that next year's report to the Congress on Guard and Reserve equipment shortages identify, as a subset of the total, those shortages which preclude the conduct of meaningful peacetime training.

As will be noted later, the Committee recommends adding $431,000,000 to the budget for Guard and Reserve equipment allocated between the services according to the relative needs to get the greatest increase in capability from these funds.

The Committee directs the Department of Defense to report to the Committees on Appropriations of the Senate and House by March 1, 1985, on how these additional funds will be invested by reserve components, including a supplemental analysis by the Army detailing how its allocation contributes toward meeting the congressionally mandated equipment thresholds beyond which equipment may be placed in POMCUS sets 5 and 6.

DOD medical equipment readiness.—The Committee received testimony that at the outset of a conflict up to 75 percent of all casualties would not be treated because of inadequate medical readiness material. Included in the May budget revision were decreases in procurement funding for medical equipment: $74,000,000 for Army, $24,000,000 for Navy, and $3,700,000 for Air Force. Except for the Air Force funds, these proposed decreases were accepted and not authorized in the Senate-passed bill. Subsequently, the Secretary of Defense proposed a restoration of these funds. The urgent requirement for improving medical readiness cannot be overlooked. As such, the Committee feels compelled to fully fund the original budget request for medical equipment. It has also directed the use of an additional $12,800,000 in available fiscal year 1984 Army funds for that purpose.

The Committee notes that the Department of Defense, in conjunction with the Veterans Administration, is probably the single largest purchaser of medical equipment in the country. This year about $130,000,000 has been requested for DOD's fixed station hospitals, plus another $70,000,000 for support equipment for combat or tactical medical units and hospitals.

A recent GAO report cites the potential for significant savings— conservatively 10 to 15 percent—from increased consolidation and centralization of medical equipment procurement. The Committee directs the Department to provide to the Committees on Appropriations of the Senate and House, by March 15, 1985, a plan for centralizing, to the maximum extent feasible, the procurement of medical equipment. These efficiencies should further improve the Department's medical readiness posture.

Special defense acquisition fund.—Since 1978 Defense appropriation acts have contained a provision requiring certain foreign military sales (FMS) receipts to be deposited in the Treasury rather than revert to the Department supplying the defense items. Section 743A of the 1984 Defense Appropriations Act (Public Law 98–212) is an example. The receipts in question are from sales of military items which are not intended to be replaced as defined in section 21(a)(1) of the Arms Export Control Act—called free assets.

Enactment of the special defense acquisition fund (SDAF) in 1981 permitted these free assets to be deposited in the SDAF, but appropriation acts prevented this except for a short period in fiscal year 1983. Although the pending 1985 Defense authorization bill would repeal section 743A, a section like it is nonetheless recommended again this year in the accompanying bill.

After a detailed review of the situation, the Committee bases its recommendation that the general provision be restored on the following:

(1) The SDAF is being fully funded without use of FMS free asset receipts. In fact, during the time in fiscal year 1983 when the restrictive language was removed, the SDAF returned $54,000,000 to the Treasury because the capitalization ceiling specified for the fund by title 10 U.S.C. was exceeded.

(2) The special defense acquisition fund was not intended to become a general purpose fund for procuring a variety of military goods for U.S. forces or a source of funds for unbudgeted procurement.

(3) Receipts from FMS sales of items that are to be replaced or modernized and priced under section 21(a)(2) of the Arms Export Control Act are available to the supplying departments for purchase of replacement items.

(4) FMS sales of items that need to be replaced and processed under section 21(a)(1) have been processed incorrectly.

NATO airbase defense.—In its report on the fiscal year 1984 Defense appropriations bill, the Committee expressed its support for cooperative efforts by the United States and its NATO allies to redress serious shortcomings in airbase defenses in Europe. The Committee reiterates that position and urges the Department to report to the Authorization and Appropriations Committees of both Houses on plans to implement the recent agreement between the United States and the Federal Republic of Germany on joint airbase defense. Further, the Department should advise the Committees promptly and in detail of its plans to obligate the $250,000,000 already appropriated for joint airbase defense. The Committee will expect timely and adequate budget estimates on additional funding requirements for this and other joint airbase defense agreements and will not continue to support new appropriations without such budget support.

Armored sedans.—The procurement of armored sedans for the protection of senior Department leaders has been an item of special interest to the Committee. This year, the Department published its policy on the use of armored sedans, which has limited the number required.

Based on this policy, the Committee has recommended a number of budget changes which permits the procurement of three armored sedans only by the Navy in 1985.

Operational support aircraft.—The Committee has funded an unbudgeted authorization add-on for modifications of Air National Guard C–131 aircraft. The Committee notes that the Congress approved the lease of 120 operational support aircraft in 1983 to meet the Air Force's wartime operational support aircraft requirement for a 44 tactical fighter wing force, which is 10 to 15 percent larger than is likely to exist for the next 10 years. Additionally, there are large numbers of C–130's training and commercial "log-air" flights available to support the National Guard.

The Committee directs the Secretary of Defense to report to the Committees on Appropriations of the Senate and the House by April 1, 1985, on his essential requirements for administrative and operational support aircraft to support the Army and Air National Guard. This report should identify the general types or categories of aircraft considered necessary by State and/or regional groupings of States to make efficient use of the larger and more modern support aircraft entering the Department's inventory. The Department is requested to justify these aircraft in terms of their wartime utilization. Finally, the report should address how any additional peacetime aircraft requirements or fleet modernization suggested by this review shall be provided.

Without full justification for wartime operational and mission support aircraft, the Committee will not recommend funding additional capacity or modernization of older operational or mission support aircraft.

Multiyear procurement.—The Committee has reviewed the proposed multiyear procurement of seven major systems and five minor systems. Approval is not recommended for multiyear procurement of three candidate systems: the TOW–II missile, the Bushmaster 25mm gun, and the F–16 simulator. The rationale for these denials is described later in this section.

The Committee continues to support multiyear procurement where there are clear cost benefits achievable for mature and stable programs. These essential requirements were not apparent, however, in a number of the multiyear candidates that were proposed for reduction in the May budget revisions. The Committee will expect better screening of proposed multiyear programs in the future.

The Committee continues to require that multiyear contracts be funded to the full extent of termination liability. It has recommended funding in excess of the pending authorization for the UH–60 and F–16 multiyear programs to achieve that goal. Incremental funding saves no money and obscures the real cost of proposed programmatic decisions.

The Committee recommends retaining the general provision governing multiyear procurement contained in the fiscal year 1984 act. If any operational hardships or inefficiencies were created by that provision, the Committee is not aware of them.

Finally, with respect to the multiyear justification materials, the Committee will pay closer attention to the validity of the projected annual program costs provided as alternatives to the multiyear program. The Committee expects these annual costs to be compatible with the most recent program costs in production history.

Proposed financing changes.—The May budget revision proposed a total of $820,000,000 in financing adjustments based on fiscal year 1983 and 1984 program savings. The Committee has, with two exceptions, accepted and applied these savings throughout the 1985 procurement program.

The Committee has not accepted the proposed transfer of $144,800,000 in 1983 Air Force funding for the C–19 (747's) for the Air National Guard. The Committee believes that the same need exists today for these aircraft that existed when the Congress approved their procurement. The Committee expects that plan to be executed as agreed to.

Of the total application of prior-year funds, $78,000,000 has been transferred to the merchant ship construction revolving fund (title VI) subject to the enactment of enabling legislation.

The sources of financing changes come from a variety of programs and are aggregated by appropriation as follows:

Aircraft procurement, Army 1984/1986	$30,000,000
Missile procurement, Army 1984/1986	13,000,000
Procurement of W&TCV, Army 1984/1986	129,000,000
Procurement of ammunition, Army 1984/1986	44,000,000
Other procurement, Army 1984/1986	18,000,000
Aircraft procurement, Navy 1984/1986	75,000,000
Weapons procurement, Navy 1984/1986	20,000,000
Shipbuilding and conversion, Navy 1984/1988	100,000,000
Other procurement, Navy 1984/1986	85,700,000
Aircraft procurement, Air Force 1983/1985	144,800,000
Aircraft procurement, Air Force 1984/1986	131,000,000
MIssile procurement, Air Force 1984/1986	14,500,000
Other procurement, Air Force 1984/1986	15,000,000
Total	820,000,000

AIRCRAFT PROCUREMENT, ARMY

1984 appropriation	$3,214,048,000
1985 budget estimate	4,008,300,000
Committee recommendation	3,950,100,000

The Committee recommends an appropriation of $3,950,100,000, a decrease of $58,200,000 below the President's budget and is $169,200,000 above the revised budget.

This appropriation provides funding for the acquisition of tactical and utility airplanes and helicopters, including associated electronics and communications equipment and armament; modification and modernization of in-service aircraft; flight simulators; ground support equipment; production base support; and depot reparable assemblies, components, and repair parts including spare engines, transmissions, and gear boxes.

PROGRAM RECOMMENDED

The Committee recommendations and the budget estimates are detailed in the following table:

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
AIRCRAFT PROCUREMENT, ARMY						
AIRCRAFT						
FIXED WING						
AIRPLANE, CARGO, C-12	--	---	6	12,000	+6	+12,000
AIRPLANE, RECON, RC-12D (GR PIP BUY)	9	79,300	6	62,200	-3	-17,100
ROTARY						
HELICOPTER, CARGO, CH-47D (CHINOOK)	11	110,000	11	110,000	--	---
HELICOPTER ELEC EH-60A (QUICKFIX) (MYP)	18	173,100	18	155,300	--	-17,800
HELICOPTER ELEC EH-60A (QUICKFIX) (MYP) (AP-CY)	--	27,200	--	27,200	--	---
AH-64 ATTACK HELICOPTER	144	1,199,200	144	1,199,200	--	---
AH-64 ATTACK HELICOPTER (AP-CY)	--	91,000	--	91,000	--	---
UH-60A (BLACK HAWK) (MYP)	78	333,000	86	288,300	+8	-44,700
UH-60A (BLACK HAWK) (MYP) (AP-CY)	--	171,800	--	171,800	--	---
TOTAL, AIRCRAFT		2,184,600		2,117,000		-67,600
MODIFICATION OF AIRCRAFT						
AIRPLANE,SURVEILLANCE,OV-1(MOHAWK)	--	21,800	--	20,300	--	-1,500
AIRPLANE, RECON, RC12D (GR PIP MOD)	--	7,800	--	7,800	--	---
AIRPLANE,RECONNAISSANCE, RV-1 (MOD)	--	6,500	--	6,500	--	---
HELICOPTER, ATTACK AH1S (COBRA-TOW)	--	45,900	--	75,900	--	+30,000
AH-1 TRNG DEVICE (HITMORE)	--	3,000	--	3,000	--	---
HELICOPTER, CARGO, CH-47 (CHINOOK) (MYP)	--	287,000	--	272,000	--	-15,000
HELICOPTER, CARGO, CH-47 (CHINOOK) (MYP) (AP-CY)	--	159,900	--	159,900	--	---
AIRPLANE, CARGO, C-12 (MODS)	--	---	--	---	--	---
HELICOPTER, ELECTRONIC, EH-1 (Q-FIX MOD)	--	2,200	--	2,200	--	---
HELICOPTER, OBSERVATION, OH-58 (KIOWA)	--	4,000	--	4,000	--	---
HELICOPTER, UTILITY, UH-1 (IROQUOIS)	--	1,900	--	1,900	--	---
UH-60A (BLACK HAWK) MODS	--	5,900	--	5,900	--	---
ARMY HELICOPTER IMPROVEMENT PROGRAM (AHIP	--	157,200	--	157,200	--	---
ARMY HELICOPTER IMPROVEMENT PROGRAM (AHIP) (AP-CY)	--	60,100	--	60,100	--	---
AIRBORNE AVIONICS	--	7,000	--	7,000	--	---
JOINT SURVEILLANCE TARGET ATTACK RADAR (JSTAR)	--	17,000	--	---	--	-17,000
MODIFICATIONS UNDER $900,000 (AIRCRAFT)	--	100	--	100	--	---
ACFT 9WW	--	59,500	--	59,500	--	---
GENERAL REDUCTION (MODIFICATION)		---		---		---
TOTAL, MODIFICATION OF AIRCRAFT		846,800		843,300		-3,500
SPARES AND REPAIR PARTS	--	633,400	--	702,000	--	+68,600
(INITIAL SPARES)	--	(318,000)	--	(302,000)	--	(-16,000)
(REPLEN SPARES)	--	(212,100)	--	(296,700)	--	(+84,600)
(WAR RESERVE)	--	(103,300)	--	(103,300)	--	---
SUPPORT EQUIPMENT AND FACILITIES						
OTHER SUPPORT						
AVIONICS SUPPORT EQUIPMENT	--	51,600	--	63,100	--	+11,500
COMMON GROUND EQUIPMENT	--	31,900	--	31,900	--	---
AIR TRAFFIC CONTROL	--	8,900	--	8,900	--	---
SYNTHETIC FLIGHT TRAINING SYSTEMS	8	175,200	7	158,000	-1	-17,200
INDUSTRIAL FACILITIES	--	72,300	--	52,300	--	-20,000
WAR CONSUMABLES	--	3,600	--	3,600	--	---
TOTAL, SUPPORT EQUIPMENT AND FACILITIES		343,500		317,800		-25,700

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
REDUCTION, PY TRANSFER................................		---		-30,000		-30,000
PRIOR YEAR TRANSFER..................................		---		(30,000)		(+30,000)
REVISED ECONOMIC ASSUMPTIONS..........................		---		---		---
TOTAL, AIRCRAFT PROCUREMENT, ARMY..................		4,008,300		3,950,100		-58,200
TRANSFER FROM OTHER ACCOUNTS......................		---		(30,000)		(+30,000)
TOTAL FUNDING AVAILABLE...........................		4,008,300		3,980,100		-28,200

COMMITTEE RECOMMENDED ADJUSTMENTS

Discussion of the Committee adjustments to budget program amounts authorized by the Senate follows:

C-12D cargo aircraft.—The C-12D is a commercial-type, low-wing, twin turbo-prop, pressurized, passenger/cargo utility aircraft capable of operating under instrument flight conditions. In fact, the C-12 is a common utility transport aircraft in all services with a common logistics support system for the 207 aircraft throughout DOD. In order to reduce support costs, each service should continue to provide logistics support, to include maintenance and supply for its C-12 aircraft, on a joint and cross-service basis.

The Committee recommends the addition of $12,000,000 over the budget for the purchase of six new C-12D aircraft as part of an interdepartmental agreement which will provide six older C-12 aircraft to the Customs Service for its drug control program.

RC-12D (Guardrail) aircraft.—The RC-12D reconnaissance aircraft (Guardrail IV) is a specially equipped C-12 for electronic reconnaissance. The 1985 request was for six mission aircraft and three maintenance float aircraft.

The Committee recommends full funding of the six mission aircraft authorized by the Senate and defers $17,100,000 requested for the maintenance aircraft.

AH-64 attack helicopter (Apache).—The AH-64 advanced attack helicopter is a twin-engine, two-place, fully integrated antiarmor weapon system capable of day or night operations and under adverse weather conditions. It will carry 8 to 16 Hellfire laser guided antitank missiles as well as a 30mm cannon and 2.75-inch rockets.

The Committee recommends the full amount requested, $1,199,200,000, for production of 144 AH-64's and $91,000,000 in advance procurement for 1986. As noted last year the Committee recognizes the need concurrently to modernize the Army National Guard and Active Army inventory of attack helicopters. Accordingly, the Army is directed to provide 18 of the aircraft funded this year to the National Guard.

EH-60A helicopter (Quickfix).—The EH-60A provides tactical signal intelligence and electronic warfare support to the Army. The Quickfix system is installed in the Black Hawk utility helicopter.

A reduction of $17,800,000 is recommended based on expected savings on the basic airframe multiyear contract.

UH-60A helicopter (Black Hawk).—The UH-60A is a squad-carrying helicopter used for assault, air cavalry, and medical evacuation missions. The Black Hawk is a twin-engine, single-rotor helicopter designed to carry a crew of three and up to 14 combat equipped troops or equivalent cargo or external loads up to 8,000 pounds.

The Army proposes to initiate a second or follow-on 3-year multiyear contract for the UH-60 airframe to achieve an estimated savings of $102,500,000. The Committee expects additional savings of up to $78,000,000 and recommends applying $33,300,000 of those savings to fund as many as eight of the additional unbudgeted UH-60's authorized.

Recognizing the extreme seriousness of airborne drug smuggling and the need for Department of Defense assistance in the battle to stop the influx of illegal drugs, the Committee directs that four of the UH-60A's procured under this appropriation be used to replace those helicopters now operated by the air branch of the U.S. Customs Service, and that two additional UH-60A's be provided to the Customs Service for use in its drug interdiction effort in the Northeastern United States. The Committee directs that four UH-60A's are for assignment to the Alaska Army National Guard high-priority scout organization to meet its unique operational requirement. Funds for a separate user level support package are provided in the operations and maintenance account and out of the additional spares funding provided within this account.

The Committee recommends $171,800,000 in advance procurement to initiate, support, and fully fund to the level of termination liability the first year of the 1985-87 multiyear contract.

OV-1D modifications.—The Army requested $21,800,000 for OV-1D modifications to include $1,500,000 in anticipation of installing the JSTARS radar. However, a recent Army-Air Force agreement selected the C-18 to carry the JSTARS radar, in apparent variance with budget policy. The $1,500,000 is deleted pending a resolution of this issue.

AH-1S modifications.—The Army requested $45,900,000 to continue modernization of the active AH-1S fleet. The Committee recommends an additional $30,000,000 to support the second year of an authorized 3-year program to convert Army National Guard AH-1G to AH-1S helicopters. The Committee expects the Army to budget for the third and final year of this program in its fiscal year 1986 request.

Army helicopter improvement program.—In supporting the $217,300,000 budget request, the Committee is concerned about the potential for cost growth as production proceeds beyond the initial two fixed price options for the Army helicopter improvement program (AHIP). The Committee applauds the Project Manager's actions to establish a hardware ceiling price for the third and future production lot as part of the second low-rate production contract and wishes to be informed of that price before the second priced option and the fiscal year 1986 advance procurement agreement are signed.

CH-47 helicopter multiyear procurement.—The Committee approves the proposed fiscal years 1985-89 multiyear modernization program of the CH-47 medium helicopter at a rate of 48 per year. The Committee has been repeatedly advised that outyear funding is available to support the Army's multiyear programs and expects the approved multiyear programs will be executed as proposed, to include the CH-47 program.

Aircraft spares and repair parts.—The Committee recommends $702,000,000, a $68,600,000 addition to the budget request, for procurement of replenishment spares and repair parts. This is $128,600,000 above the authorization. These funds provide for centrally managed, high dollar value, depot repairable assemblies, components, and repair parts such as engines, transmissions, and gear boxes.

The Committee notes with some dissatisfaction the fiscally constrained Army flying program. To support improved readiness, the Committee has added $84,600,000 over the budget for replenishment spares for the extra flying hours and UH–60's funded.

Authorization changes.—The Committee recommends the following adjustments in accordance with the Senate-passed authorization bill (S. 2723):

[In thousands of dollars]

Program	Fiscal year 1985 budget estimate	Committee recommendation	Recommendation compared to budget
CH–47 helicopter	287,000	272,000	-15,000
JSTARS	17,000		-17,000
Flight training simulators	175,200	158,000	-17,200
Industrial facilities	72,300	52,300	-20,000

MISSILE PROCUREMENT, ARMY

1984 appropriation	$2,855,300,000
1985 budget estimate	3,442,400,000
Committee recommendation	3,150,400,000

The Committee recommends an appropriation of $3,150,400,000. This is $292,000,000 below the President's budget estimate and $2,500,000 above the revised budget.

This appropriation provides for the procurement of surface-to-air and surface-to-surface missile systems; air defense control and coordination systems; antitank/assault missile systems; modification of in-service missiles and supporting equipment; and related costs such as production base support.

PROGRAM RECOMMENDED

The Committee recommendation and budget estimate are detailed in the following table:

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
MISSILE PROCUREMENT, ARMY						
OTHER MISSILES						
SURFACE-TO-AIR MISSILE SYSTEM						
CHAPARRAL	--	---	--	32,000	--	+32,000
OTHER MISSILE SUPPORT	--	17,300	--	9,300	--	-8,000
PATRIOT	585	1,096,400	440	970,600	-145	-125,800
STINGER	2,360	209,600	2,360	209,600	--	---
STINGER (TRANSFER)	--	---	--	---	--	---
AIR-TO-SURFACE MISSILE SYSTEM						
LASER HELLFIRE SYSTEM	6,026	235,000	6,026	225,000	--	-10,000
ANTI-TANK/ASSAULT MISSILE SYSTEM						
TOW 2 (MYP)	18,000	240,300	6,000	120,300	-12,000	-120,000
TOW 2 (MYP) (AP-CY)	--	25,000	--	---	--	-25,000
TOW 2 - AN/TAS-4A	--	---	--	53,200	--	+53,200
PERSHING II	93	456,000	70	387,000	-23	-69,000
MULTIPLE LAUNCH ROCKET SYSTEM (MYP)	50,472	404,000	50,472	404,000	--	---
MULTIPLE LAUNCH ROCKET SYSTEM (MYP) (AP-CY)	--	137,400	--	137,400	--	---
FIELD ARMY AIR DEFENSE	--	---	--	---	--	---
TOTAL, OTHER MISSILES		2,821,000		2,548,400		-272,600
MODIFICATION OF MISSILES						
MODIFICATIONS						
PATRIOT	--	11,800	--	11,900	--	---
CHAPARRAL	--	106,200	--	106,200	--	---
HAWK	--	58,100	--	58,100	--	---
TOW	--	17,900	--	17,900	--	---
LCSS	--	3,800	--	3,800	--	---
MODIFICATIONS LESS THAN $900,000	--	---	--	---	--	---
AN/TSQ 73	--	11,400	--	11,400	--	---
TOTAL, MODIFICATION OF MISSILES		209,200		209,200		---
SPARES AND REPAIR PARTS	--	289,700	--	270,300	--	-19,400
SUPPORT EQUIPMENT AND FACILITIES						
AIR DEFENSE TARGETS	--	20,800	--	20,800	--	---
ITEMS LESS THAN $900,000 (MISSILES)	--	6,600	--	6,600	--	---
PRODUCTION BASE SPT	--	56,500	--	56,500	--	---
OTHER PRODUCTION CHARGES	--	38,600	--	38,600	--	---
TOTAL, SUPPORT EQUIPMENT AND FACILITIES		122,500		122,500		---
REDUCTION, PY TRANSFER		---		---		---
PRIOR YEAR TRANSFER		---		---		---
REVISED ECONOMIC ASSUMPTIONS		---		---		---
TOTAL, MISSILE PROCUREMENT, ARMY		3,442,400		3,150,400		-292,000
TRANSFER FROM OTHER ACCOUNTS		---		---		---
TOTAL FUNDING AVAILABLE		3,442,400		3,150,400		-292,000

COMMITTEE RECOMMENDED ADJUSTMENTS

Discussion of the Committee adjustments to budgeted program amounts authorized by the Senate follows:

Chaparral.—Chaparral is an air defense missile system which continues to form the backbone of the Army short-range missile air defense capability. The missile is essentially the same as the air-to-air AIM–9 Sidewinder missile.

The Committee agrees with the authorized acceleration by 1 year of the introduction of the Chaparral system into the Army Guard which provides a significant portion of the Army air defense capability. A total of $32,000,000 is recommended to provide 12 fire units and associated support equipment. These new fire units will replace 1950-vintage 40-millimeter "Duster" air defense guns.

Other missile support.—The Army requested $8,000,000 for equipment to support the 1986 introduction of the Chaparral system to the National Guard, the funding for which is now included on the Chaparral procurement line. The requested funds are deleted.

Patriot (SAM–D).—The Patriot is a high and medium altitude air defense system. The surface-to-air system is capable of multiple simultaneous engagements of attacking aircraft.

The Committee recommends a reduction of $5,800,000 below the authorized level to provide $970,600,000 for 445 missiles and 12 fire units as proposed in the revised budget. This adjustment extends the fiscal year 1984 production rate to 1985, even though deliveries of both missiles and fire units have been running behind schedule the past 2 years. For a variety of reasons, only 5 fire units have been delivered in the last 12 months and there is little basis for increased future funding rates. Furthermore, the recent agreements to provide Patriot systems to some of our NATO allies may slow the fielding of systems to the Army unless delivery rates improve. This topic along with progress made in fielding of the Patriot will be an issue of special interest during next year's hearing cycle.

The Committee understands that the Army has leveled its outyear funding for the Patriot at the 1984–85 level to allow room for production to support foreign sales. Accordingly, the Committee directs that no additional funds be spent for increased production capacity until specifically justified to the Congress.

Stinger.—The Stinger is a shoulder fired guided missile system housed in a disposable launch tube. It provides low altitude air defense and is a replacement for the Redeye system.

In approving the budget request of $209,600,000 for 2,360 missiles, the Committee notes the nearly 100-percent increase in production over last year and the 175-percent increase in production forecast for next year. The Committee is not eager to continue building stocks of the current Stinger-POST which will not adequately meet the near-term threat. The Army should be prepared to testify next year on their plan to accelerate the development of an improved missile and to establish a second source of production to minimize cost growth on the improved missile.

	Millions
Patriot spares	−$19.4
Pershing II spares	−4.0
TOW sight spares	+5.6

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

1984 appropriation	$4,594,103,000
1985 budget estimate	5,092,700,000
Committee recommendation	4,421,735,000

The Committee recommends an appropriation of $4,421,735,000. This is a decrease of $670,965,000 below the President's budget and is $144,265,000 above the revised request.

This appropriation provides for the procurement of tanks, armored personnel carriers and combat engineer vehicles. Funds are also included for the acquisition of machine guns, grenade launchers, towed and self-propelled guns and howitzers, laser rangefinders, associated training equipment, modification of in-service equipment, investment spares and repair parts and major components, and production base support.

PROGRAM RECOMMENDED

The Committee recommendation and budget estimates follow:

Laser Hellfire.—The Hellfire is an air-to-ground missile system used with the AH–64. It is designed to defeat individual hardpoint targets and heavily armored vehicles. This system utilizes semiactive laser terminal homing guidance and is designed to accept other guidance packages.

The Committee recommends a reduction of $10,000,000 in agreement with the authorization legislation. The $225,000,000 provided is expected to fully fund the 6,026 missiles requested, an increase of nearly 30 percent over last year's program..

TOW.—The tube-launched, optically tracked, wire-guided (TOW) missile is an antitank/assault system mounted on a variety of combat vehicles as well as the Cobra attack helicopter. An improved TOW II version is currently in production.

The Committee recommends $120,300,000 for the procurement of 6,000 TOW–II missiles as proposed in the revised budget. This quantity will be combined with the 1984 program to maintain an annual production rate of at least 12,000 missiles.

In the interest of improved readiness, the Committee wished to support the multiyear procurement of the TOW–II which is one of the principle antiarmor weapons in the field today. However, the funding stability for the program as evidenced by the budget revision, the cost uncertainty (rated medium by the Army), and the apparent continued cost growth despite increased rates of production call into question the advisability of multiyear procurement for the TOW.

Furthermore, the Committee notes that the 1982 TOW–II missile acquisition study did not recommend multiyear procurement. Accordingly, the Committee will not approve a multiyear program until the projected real flyaway unit costs will not be more than those incurred in the fiscal year 1984 program.

TOW night sight.—The Committee recommends funding of $53,200,000 for AN/TAS–4A1 sights in the missile procurement account rather than in Other Procurement, Army, as budgeted. This increase of $14,400,000 over the request for TOW–II sights is recommended in conjunction with the Army's decision not to procure the budgeted Dragon night sights.

Pershing II.—The Pershing II system evolved from the Pershing 1A intermediate range missile system now deployed in support of NATO. Pershing II provides greater range and accuracy which, with the ground launched cruise missile, represents a U.S. commitment to modernize the NATO's intermediate range nuclear deterrent as a counter to the Soviet SS–20 and other missiles systems.

The Committee recommends $387,000,000, the full amount authorized by the Senate, for 70 missiles and associated support equipment. The Committee understands that the reduction of $69,000,000 will not delay the European deployment of the Pershing II system.

Army missile spare and repair parts.—The Committee recommends $270,300,000 for procurement of various Army missile spares and repair parts, which includes $19,400,000 in adjustments as follows:

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEH						
TRACKED COMBAT VEHICLES						
CARRIER, COMMAND POST LIGHT, FT, M577A2..............	167	33,400	167	33,400	--	---
CARRIER,PERSONNEL,FT,ARM,M113........................	50	8,900	50	8,900	--	---
BRADLEY FIGHTING VEHICLES (MYP)......................	710	997,400	655	951,500	-55	-45,900
BRADLEY FIGHTING VEHICLES (MYP) (AP-CY)..............	--	59,000	--	18,900	--	-40,100
PRIOR YEAR TRANSFER..................................		---		---		---
BRADLEY FVS TRAINING DEVICES.........................	--	56,500	--	56,500	--	---
FIELD ARTILLERY AMMUNITION SUPPORT VEHICL............	170	84,200	170	84,200	--	---
PRIOR YEAR TRANSFER..................................		---		---		---
HOWITZER,MED SP, FT, 155MM, M109A2...................	70	52,400	70	52,400	--	---
RECOVERY VEHICLE, MED, FT, M88A1.....................	180	159,400	180	159,400	--	---
TANK M1 SERIES (MYP).................................	720	1,469,400	840	1,386,635	+120	-82,765
PRIOR YEAR TRANSFER..................................	--	---	--	(171,400)	--	(+171,400)
M1 ABRAMS TANK (TRANSFER)............................		---		---		---
TANK M1 SERIES (MYP) (AP-CY).........................	--	289,400	--	334,400	--	+45,000
M60 SERIES TANK TRAINING DEVICES.....................	--	25,700	--	18,700	--	-7,000
M1 SERIES TANK TRAINING DEVICES......................	--	37,100	--	37,100	--	---
LIGHT ARMORED VEHICLE (LAV-25)(MYP)..................	--	---	--	---	--	---
MODIFICATION OF TRACKED COMBAT VEHICLES						
CARRIER,MOD..	--	34,800	--	44,800	--	+10,000
IMPROVED TOW VEHICLE (ITV) (MOD).....................	--	---	--	27,000	--	+27,000
FIST VEHICLE (MOD)...................................	190	79,500	190	79,500	--	---
BFVS SERIES (MOD)....................................	--	3,900	--	3,900	--	---
HOWITZER, MED SP FT 155MM M109 SER(MOD)..............	--	33,800	--	33,800	--	---
HOWITZER, HV, SP, FT, 8-IN M110 SER(MOD).............	--	---	--	---	--	---
ARMORED VEH LAUNCH BRIDGE (AVLB) (MOD)...............	--	15,400	--	15,400	--	---
TANK,COMBAT,FT,105MM GUN,M60SER (MOD)(MYP)...........	--	215,100	--	215,100	--	---
TANK,COMBAT,FT,105MM GUN,M60SER (MOD)(MYP) (AP-CY)...	--	---	--	---	--	---
105MM TANK GUN (MOD).................................	--	3,000	--	3,000	--	---
TANK, M1 SERIES (MOD)................................	--	8,000	--	---	--	-8,000
SUPPORT EQUIPMENT AND FACILITIES						
SPARES AND REPAIR PARTS..............................	--	430,100	--	426,100	--	-4,000
VALUE ENGINEERING....................................	--	1,000	--	1,000	--	---
ITEMS LESS THAN $900,000 (TCV-WTCV)..................	--	900	--	900	--	---
PRODUCTION BASE SUPPORT (TCV-WTCV)...................	--	58,300	--	58,300	--	---
		------------		------------		------------
TOTAL, TRACKED COMBAT VEHICLES.......................		4,156,600		4,050,835		-105,765
		============		============		============
WEAPONS AND OTHER COMBAT VEHICLES						
SERGEANT YORK DIVAD GUN..............................	132	515,800	90	17,000	-42	-498,800
PRIOR YEAR TRANSFER..................................	--	---	--	(33,000)	--	(+33,000)
SERGEANT YORK DIVAD GUN (AP-CY)......................	--	12,900	--	---	--	-12,900
PRIOR YEAR TRANSFER..................................	--	---	--	---	--	---
MACHINE GUN, 7.62MM, M60.............................	--	---	--	---	--	---
ARMOR MACHINE GUN, 7.62MM M240.......................	4,766	25,400	4,766	25,400	--	---
SQUAD AUTOMATIC WEAPON (SAW) 5.56MM..................	3,800	12,900	3,800	12,900	--	---
GRENADE LAUNCHER, AUTO, 40MM, MK19-3.................	340	4,500	340	4,500	--	---
LAUNCHER, SMOKE GRENADE..............................	5,526	4,800	5,526	4,800	--	---
MORTAR, 81MM, XM252..................................	441	11,300	--	11,300	-441	---
M16A2 RIFLE..	75,000	39,600	75,000	36,600	--	-3,000
PERSONAL DEFENSE WEAPON, 9MM.........................	14,650	5,000	--	---	-14,650	-5,000
VEH RAPID FIRE WPN SYS-BUSHMASTER (MYP)..............	755	48,000	690	43,800	-65	-4,200
VEH RAPID FIRE WPN SYS-BUSHMASTER (MYP) (AP-CY)......	--	8,100	--	---	--	-8,100
TANK MUZZLE BORESIGHT DEVICE.........................	--	3,800	--	3,800	--	---
MODIFICATION OF WEAPONS AND OTHER COMBAT VEHICLES						
PRODUCT IMPROVED VULCAN ADS (PIVADS).................	--	33,200	--	---	--	-33,200
MODIFICATIONS UNDER $900,000 (WOCV-WTCV).............	--	1,000	--	1,000	--	---
SUPPORT EQUIPMENT AND FACILITIES						
SPARES AND REPAIR PARTS..............................	--	119,300	--	119,300	--	---

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
PRIOR YEAR TRANSFER..................................	--	---	--	(8,700)	--	(+8,700)
ITEMS LESS THAN $900,000 (WOCV-WTCV)..................	--	2,700	--	2,700	--	---
PRODUCTION BASE SUPPORT (WOCV-WTCV)...................	--	87,800	--	87,800	--	---
TOTAL, WEAPONS AND OTHER COMBAT VEHICLES............		936,100		370,900		-565,200
REVISED ECONOMIC ASSUMPTIONS..........................		---		---		---
GENERAL REDUCTION, SPARES.............................		---		---		---
TOTAL, PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEH		5,092,700		4,421,735		-670,965
TRANSFER FROM OTHER ACCOUNTS......................		---		(213,100)		(+213,100)
TOTAL FUNDING AVAILABLE...........................		5,092,700		4,634,835		-457,865

COMMITTEE RECOMMENDED ADJUSTMENTS

Discussion of the Committee adjustments to budgeted program amounts authorized by the Senate follows:

M113A2 armored personnel carrier.—The M113A2 is a lightweight vehicle which transports 11 troops.

In approving the request for $8,900,000 for up to 45 M113's, the Committee reiterates its position that production funding is intended for only those M113-type vehicles which operate forward in the battle area that have improved survivability. An additional $55,000,000 has been recommended elsewhere, specifically for up to 280 critically short Army Reserve M113's, all of which are to be produced with an improved survivability package.

The Army has responded to Committee concerns on M113 survivability with an upgrade program that adds armored external fuel tanks, spall suppression liners, attaching points for external armor, and an improved power train. The latter accounts for over 80 percent of the costs. The Committee is not convinced that the added cost ($85,868 in fiscal year 1986 dollars and nearly three times the cost of the current power train) is justified because the Army has long operated other M113 variants with horsepower-to-weight ratios equal to that of an M113 with external fuel tanks and spall liners. The Army must demonstrate, in conjunction with other programs and its R&D effort on applique armor, the clear requirement and cost effectiveness of the improved power train before the Committee will consider funding such a modification proposal.

Finally, the Committee recommends an additional $10,000,000 in the M113 modification line to accelerate the establishment of a modification program to apply external fuel tanks and spall liners to the existing fleet.

Bradley fighting vehicles.—The Bradley fighting vehicles are lightly armored infantry and cavalry vehicles with a stabilized 25mm automatic cannon, a 7.62mm machine gun and a TOW missile system. The infantry version can carry nine men and is intended to provide cross-country mobility and fire power support of mechanized infantry operations. The cavalry version carries five men and provides scout squads with the capability to conduct reconnaissance and security missions under armor protection.

The Committee recommends $951,500,000, reducing the budget request by $45,900,000 but fully funding the authorized amounts for procurement of 655 vehicles. However, $18,900,000, a reduction of $6,000,000, is provided in advance procurement funding. The Army is directed to apply $6,000,000 of 1984 advance procurement funds, provided for an assumed 830-vehicle program in 1985, to the revised 1985 requirement.

M1 Abrams tank.—The M1 is a 105mm gun tank with three secondary armament systems equipped with day and night fire control systems and shoot-on-the-move capabilities. The M1E1, with a 120mm gun, is scheduled to enter production this year.

The Committee recommends $1,386,635,000 for 840 M-1's, 120 more than authorized by the Senate and 240 more than requested in the May budget revision. An additional $113,300,000 is recommended for transfer from savings from the 1984 program, together with $58,100,000 available from the foreign military sale of M48A5 tanks. This provides $1,558,035,000 in program funding which includes $50,000,000 to establish a second source of production for M-1 tank engines. Based on past history, the Committees recommendation anticipates at least $65,000,000 in contract savings.

The Secretary of Defense on March 29, 1984, submitted to the Congress, in accordance with Public Law 98-212, December 8, 1983, his determination that the establishment of a second production source for the ABT 1500 engine for the Abrams M-1 tank is in the national interest.

The Committee feels the establishment of a second production source is further supported by: (a) The expanded use of competition as a management initiative intended to reduce cost, improve engine quality, and enhance the industrial base; (b) historical data supporting the beneficial effects of using second sourcing during a production phase to instill competition as in the recent Air Force procurement of the F15/F16 engine; (c) the fact that just the "threat" of competition over the past 18 months in this engine procurement has driven the current sole source manufacturing price down and permitted for the first time the inclusion of warranties; and (d) the inability to keep the unit price down without the element of competition in future year buys. The Committee has therefore made provision for the repeal of Section 107, Fiscal Year 1984 Department of Defense Authorization Act (Public Law 98-94; 97 Stat. 620) to permit the Department to proceed with establishment of a second production source for this engine.

The Committee directs that the Army follow a "full variable quantity annual competitive" strategy in the tank engine program as outlined in the May 3, 1984, letter from the Secretary of Defense.

Finally, the Committees directs the Army to report to the Committees on Appropriations of the Senate and House on its plans for maintaining a warm production base for the M-1 after completion of the current 7,058-vehicle program.

M-1 auxiliary power unit.—The Committee believes substantial benefits will be produced by a program to add a small external auxiliary power unit to the M-1 tank. It is designed to reduce the very expensive main engine idling hours and conserve engine life. This $46,000,000 program was initiated in 1984 and can be executed in 1985 within funds available in the M-1 program. The Army is encouraged to proceed expeditiously with this program which should pay for itself through reduced operating costs in 3 years.

Improved TOW vehicle modifications.—To provide a degree of protection to the TOW-2 antiarmor missile, it is mounted in a specially modified M113 carrier, the improved TOW vehicle (ITV). In recognition of the importance of conserving these critical assets, the Committee recommends providing the authorized $27,000,000 above the budget to provide the Army National Guard with this improved antiarmor capability. Furthermore, the Committee expects the ITV, as one of the vehicles deployed closest to the battle area, will also have external fuel tanks and spall liners applied for improved survivability.

M-1 tank modifications.—The Committee defers the $8,000,000 requested to modify the 120mm gun on the M1E1 which has not been officially approved for production.

WEAPONS AND OTHER COMBAT VEHICLES

DIVAD gun.—The DIVAD gun is a self-propelled, 40mm, air defense gun, which will be employed in air defense battalions of the heavy divisions. It will replace the Vulcan air defense system.

The Committee has been a cautious supporter of the DIVAD gun for the past few years. However, the problems that continue to plague this program raise serious questions about the advisability of continued financial support. Specifically, production startup problems have put the program some 8 months behind schedule and will require 30 months to recover. Furthermore, questions remain as to the reliability of the system and its ability to engage enemy targets effectively. Recent "limited operational tests" conducted at the direction of the Secretary of Defense have done little to increase confidence levels about the program. In fact, a production release for the fiscal year 1984 (Lot III) contract is still pending before the Secretary.

Until there is a production decision by the Secretary, the Committee recommends no additional production funding. Should 1985 funding eventually be justified, a supplemental appropriations will be considered. It is recommended that the $92,800,000 requested for initial spares and repair parts be applied to other unfunded spares requirements within the weapons and tracked combat vehicles account. Similarly, one-half the DIVAD ammunition funds have been reduced and reapplied within the ammunition account. The balance of the ammunition funds is provided to build inventories for previously funded DIVAD guns.

Finally, the Committee recommends bill language that makes production funding for fiscal year 1985 contingent upon the completion of initial production testing and the submission of a report on that testing by the Secretary of Defense with his certification that proceeding with production of DIVAD is appropriate and a period of 30 days has elapsed after receipt of the report and certification.

81mm mortar program.—The Committee recommends $11,300,000 requested to continue procurement of the new 81mm mortar, which was recently approved for service use. The Army may not initiate procurement until 30 days after the long-range mortar plan requested by Congress has been provided.

M-16A2 rifle.—The Committee deletes $3,000,000 to reflect anticipated contract savings.

Bushmaster gun.—The Bushmaster gun, or the vehicle rapid fire weapon system, is the main weapon on the Bradley fighting vehicle. In the budget revision, a $4,200,000 reduction was offered to maintain alignment with the Bradley program. That adjustment is accepted.

The Army also proposed the Bushmaster for competitive multiyear contracting and requested $8,100,000 in advance procurement funding to that end. The Committee has learned that the multiyear strategy cannot be executed starting in 1985 and that the Army is redefining its procurement strategy. The Committee understands that an unsolicited proposal has been offered which may provide savings comparable to those envisioned under the multiyear approach. Consequently, the Committee does not recommend approval of the program for multiyear procurement in 1985 and deletes the $8,100,000 requested.

Product improved Vulcan air defense system (PIVADS).—This activity funds improvements to the Vulcan air defense system which is being replaced by the Sergeant York DIVAD gun in the heavy divisions and, in a towed version, serves as an interim air defense system, in the light divisions.

Development problems have occurred which will delay initial procurement of this modification package until early fiscal year 1986. Consequently, the $33,200,000 requested is deferred.

Support equipment and facilities.—The Committee recommendation of $209,800,000 for support equipment and facilities includes $119,300,000 for spares and repair parts; $2,700,000 for items less than $900,000; and $87,800,000 for production base support, as budgeted. This includes a transfer of $8,700,000 from the 1984 DIVAD gun program to the spares line.

Authorized changes.—The Committee recommends the following adjustments in accordance with the Senate-passed authorization bill (S. 2723):

[In thousands of dollars]

Program	Fiscal year 1985 budget request	Committee recommendation	Recommendation compared to budget
Bradley vehicle	997,400	951,500	-45,900
M60 training devices	25,700	18,700	-7,000
Spares, combat vehicles	430,100	426,100	-4,000
Handgun, 9mm	5,000		-5,000
Bushmaster (MYP)	48,000	43,800	-4,200

PROCUREMENT OF AMMUNITION, ARMY

1984 appropriation	$1,980,100,000
1985 budget estimate	2,494,000,000
Committee recommendation	2,625,050,000

The Committee recommends an appropriation of $2,625,050,000 for ammunition, including $244,200,000 for production base support. This is an increase of $131,050,000 above the President's request and $360,150,000 above the budget revision.

This appropriation provides for the procurement of all Army ammunition except missiles. Funds are also included for industrial facilities required for the production of ammunition components and end items, the modernization of Army ammunition facilities (including construction), and the layaway of Government-owned plants and equipment where it has been established that such facilities will be required in the event of mobilization.

The Committee recommendation and the budget estimate are detailed in the following table:

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
PROCUREMENT OF AMMUNITION: ARMY						
AMMUNITION						
ATOMIC MATERIEL						
NUCLEAR WEAPONS SUPPORT MATERIEL	--	9,800	--	9,800	--	---
PROJECTILE, NUCLEAR, 8-INCH	--	---	--	---	--	---
CONTROLLED ITEMS						
CARTRIDGE, 5.56MM, ALL TYPES	--	---	--	---	--	---
CARTRIDGE, 5.56MM, BALL	390,705	57,200	390,705	57,200	--	---
CARTRIDGE, 5.56MM, BLANK	118,375	13,300	118,375	14,900	--	+1,600
CARTRIDGE, 5.56MM BLANKLINKED F/SAW	4,133	1,100	4,133	1,100	--	---
CTG, 5.56MM BALL AND TRACER (SAW)	21,217	7,600	21,217	7,600	--	---
CTG, 7.6MM, LINKED, 4 BALL, 1 TR	88,836	24,300	88,836	24,300	--	---
CARTRIDGE, 7.62MM, ALL TYPES	--	---	--	---	--	---
CARTRIDGE, 7.62MM, BALL, LINKED	35,993	9,900	--	---	-35,993	-9,900
CARTRIDGE, 7.62MM, MATCH, M118	6,740	2,000	6,740	2,000	--	---
CARTRIDGE, CAL .22, BALL, LR	54,081	1,000	54,081	1,000	--	---
CTG CAL.22 BALL MATCH F/RIFLE	4,429	400	4,429	400	--	---
CARTRIDGE 9MM BALL (HAND GUN)	6,502	1,400	--	---	-6,502	-1,400
LIMITED RANGE/PLASTIC AMMO, ALL TYPES	--	---	--	---	--	---
CARTRIDGE, 20MM, ALL TYPES	--	---	--	---	--	---
CARTRIDGE, 30MM (ADEN/DEFA), ALL TYPES	--	---	--	---	--	---
CARTRIDGE, 25MM (BUSHMASTER), ALL TYPES	--	---	--	---	--	---
CARTRIDGE, 40MM (DIVADS), ALL TYPES	--	---	--	---	--	---
CARTRIDGE, 40MM (CONVENTIONL), ALL TYPES	--	---	--	---	--	---
CARTRIDGE, CAL .45, BALL	6,752	1,400	6,752	1,400	--	---
CARTRDGE, 5.56MM PLASTIC	4,410	1,300	4,410	1,300	--	---
CTG. CAL. 50 PLASTIC TRAINING W/TRACER	3,643	6,700	3,643	6,700	--	---
CTG. CAL. 50 4 BALL 1TRAC W/M15 LKD	11,849	15,100	--	7,300	-11,849	-7,800
CTG., CAL. 50 APIT, M20	569	1,000	569	1,000	--	---
CTG CAL. 50 BALL LKD + CTN	2,198	3,100	2,198	4,100	--	+1,000
CTG,CAL,50BLK,M1A1,LKD F/M2MG(MYP)	17,453	13,900	17,453	17,300	--	+3,400
CTG, CAL .50 TRACER, LINKED	791	1,700	791	2,800	--	+1,100
CARTRIDGE, CAL .50, 4BALL-1 TRACER	--	---	--	---	--	---
CARTRDGE,20MM,TP-T VULCAN (MYP)	--	---	--	12,400	--	+12,400
CARTRIDGE, 30MM, HE-DP	541	17,700	1,045	34,200	+504	+16,500
CARTRIDGE, 30MM, TP	570	7,700	570	7,700	--	---
CTG 81MM IMPRVD TRAINING, FULL RANGE	94	7,900	94	7,900	--	---
CARTRIDGE, 25MM, TP-T	--	---	--	---	--	---
CARTRIDGE, 25MM, HEIT-T	1,527	55,000	1,527	55,000	--	---
CARTRIDGE, 25MM, APDS-T	1,659	61,700	1,659	61,700	--	---
CARTRIDGE, HEIT FOR DIVAD GUN, SGT YORK	121	14,800	60	7,400	-61	-7,400
CTG, TP-T FOR DIVAD GUN, SGT YORK	381	29,300	318	11,500	-63	-17,800
CTG, 40MM HE W/PROX FUZE FOR DIVAD GUN	220	48,000	134	27,250	-86	-20,750
CARTRIDGE, 40MM HEDP HI VEL LAUNCHED	878	15,100	1,460	25,100	+582	+10,000
CARTRIDGE, 40MM, PRACTICE LOW VELOCITY	3,210	6,700	3,210	4,400	--	-2,300
CARTRIDGE, 75MM, BLANK, F/HOW, M337A1	--	---	--	---	--	---
CARTRIDGE, 4.2-INCH, ALL TYPES	--	---	--	---	--	---
CARTRIDGE, 81MM, ILLUM, W/FUZE	--	---	--	---	--	---
CTG, 81MM, (IMPROVED) ILLUM XM853	9	2,200	9	2,200	--	---
CARTRIDGE, 81MM,(IMPROVED) HE, (XM821)	160	29,400	160	29,400	--	---
CTG SUB CAL 22 PRACT CHG=1 M744	147	1,400	147	1,400	--	---
CTG SUB CAL 22 PRACT=2 M745	189	1,800	189	1,800	--	---
CTG SUB CAL 22 PRACT CHG=3 M746	147	1,400	147	1,400	--	---
CTG SUB CAL 22 PRACT CHG=4 M747	178	1,700	178	1,700	--	---
CTG, 81MM, (IMPROVED) SMOKE XM819	4	3,300	4	3,300	--	---
CARTRIDGE, 4.2-INCH, HE	--	---	--	33,000	--	+33,000
CARTRIDGE, 4.2-INCH, SMOKE, WP	79	10,200	--	---	-79	-10,200
CTG 105MM BLK M395	--	---	--	---	--	---
CTG 105MM(HEAT-T/TP), ALL TYPES (MYP)	--	---	--	---	--	---
CARTRIDGE, 105MM (APFSDS-T/TP) ALL TYPES	--	---	--	---	--	---
CARTRIDGE, 105MM,TP-T,M490 F/TANK GUN	422	72,500	--	63,100	-422	-9,400
CARTRIDGE 105MM, TRACE-P FOR M833	--	4,800	--	4,800	--	---
CARTRIDGE, 105MM, DS-TP M724	509	100,600	509	100,600	--	---
CARTRIDGE, 105MM, APFSDS-T M833	84	54,100	84	54,100	--	---

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
CARTRIDGE, 105MM TPCSDS-T(XM901)	80	48,000	80	48,000	--	---
CARTRIDGE, 120MM APFSDS-T XM829	10	20,900	13	40,900	+3	+20,000
CARTRIDGE 120MM, HEAT-MP-T,XM830	13	31,900	16	39,400	+3	+7,500
CARTRIDGE, 120MM TP-T XM831	21	30,500	28	40,500	+7	+10,000
CARTRIDGE, 120MM TPCSDS-T, XM865 (KE-TP)	54	52,700	80	77,700	+26	+25,000
PROJECTILE,155MM,HE,ICM(DP),M483(MYP)	598	252,000	740	312,000	+142	+60,000
PROJECTILE, 155MM, HE RAP M549A1	--	---	--	---	--	---
PROJ 155MM, (ADAM/RAAMS), ALL TYPES (MYP	--	---	--	---	--	---
PROJECTILE,155MM,HE,ADAM M692 (MYP)	7	32,300	7	32,300	--	---
PROJECTILE,155MM,HE,ADAM M731 (MYP)	7	32,500	7	32,500	--	---
PROJECTILE,155MM,HE,RAAMS M718(MYP)	16	30,200	--	---	-16	-30,200
PROJECTILE,155MM,HE,RAAMS M741(MYP)	37	66,500	37	66,500	--	---
PROJECTILE, 155MM, HE, COPPERHEAD (EA)	2,253	102,800	3,253	132,800	+1,000	+30,000
CHARGE, PROPELLING, F/ARTY PROJ, ALL TYP	--	---	--	---	--	---
PROJECTILE, 155MM SMK, WP, M825	15	12,500	15	24,500	--	+12,000
PROJECTILE, 155MM, CHEM GB-2 (AP-CY)	--	13,000	--	---	--	-13,000
CHARGE, PROPELLING, 155MM, GREEN BAG M3	561	30,700	561	30,700	--	---
CHARGE,PROPELLING,155MM,WHITE BAG,M4	990	44,900	990	27,100	--	-17,800
CHARGE, PROPELLING, 155MM RFD BAG M203	28	9,500	28	9,500	--	---
CHARGE, PROPELLING, 155MM WHITE BAG M119	1,068	113,200	1,162	123,200	+94	+10,000
CARTRIDGE: 165MM, TP	--	---	--	---	--	---
PROJECTILE,8-INCH,HE,ICM(DP),M509(MYP)	170	146,500	223	191,500	+53	+45,000
PROJECTILE, 8-INCH, HE,RAP, M650	14	22,600	14	22,600	--	---
FUZE, FOR ARTY & MORTAR, ALL TYPES	--	---	--	---	--	---
PRIMER, PERCUSSION	--	---	--	---	--	---
CHARGE, PROPELLING, 8-INCH W B, M188	134	30,400	174	39,400	+40	+9,000
FUZE, PROXIMITY, M732	825	47,700	--	---	-825	-47,700
FUZE, PT, DET, M739	--	---	--	11,100	--	+11,100
FUZE, MECHANICAL, TIME M577	616	40,400	906	59,400	+290	+19,000
FUZE MECHANICAL TIME SUPER QUICK, M582	69	4,800	69	4,800	--	---
NITROGUANIDINE (LB)	--	23,200	--	23,200	--	---
GROUND EMP MINE SCAT SYS AP M74	20	10,500	39	20,500	+19	+10,000
GROUND EMP MINE SCAT SYS AT M75	84	19,800	123	29,000	+39	+9,200
GEMSS DRILL MINES	23	400	23	400	--	---
DEMOLITION MUNITIONS & OTHER	--	10,800	--	10,800	--	---
ROCKETINCD 66MM (4RD CLIP) (EA) M74	--	---	--	---	--	---
LIGHT ANTI-TANK WEAPON: TACTICAL	29	33,800	50	71,100	+21	+37,300
LIGHT ANTI-TANK WEAPON: TRAINER	882	3,400	882	3,400	--	---
HYDRA 70 RKT, MPSM (M261)	22	19,800	22	19,800	--	---
HYDRA 70 RKT, MPSM PRACTICE, (M267)	8	5,900	8	5,900	--	---
HAND GRENADES, ALL TYPES	--	14,100	--	14,100	--	---
SIGNALS, ALL TYPES	--	26,700	--	26,700	--	---
CTG 25.44 M839 DECOY FOR M130 FLARE DESP	229	1,100	229	1,100	--	---
SIMULATORS, ALL TYPES	--	14,100	--	12,700	--	-1,400
MISCELLANEOUS						
AMMO COMPONENTS/SUPPORT, ALL TYPES	--	26,000	--	26,000	--	---
ITEMS LESS THAN $900,000(MISC-AMMO)	--	5,500	--	5,500	--	---
SPARES AND REPAIR PARTS	--	100	--	100	--	---
WAR RESERVE STOCKPILE(EXPL/PROPELLANTS)	--	33,900	--	33,900	--	---
9TH ID HIGH TECHNOLOGY TEST BED (HTTB)	--	5,000	--	---	--	-5,000
AMMO 9WW/ELT	--	1,700	--	1,700	--	---
BARRIER AMMO	--	---	--	---	--	---
TOTAL, AMMUNITION		2,191,300		2,383,850		+192,050
AMMUNITION PRODUCTION BASE SUPPORT						
PRODUCTION BASE SUPPORT						
PROVISION OF INDUSTRIAL FACILITIES	--	282,200	--	265,200	--	-17,000
LAYAWAY OF INDUSTRIAL FACILITIES	--	20,000	--	20,000	--	---
MANUFACTURING TECHNOLOGY PROGRAM	--	---	--	---	--	---
TOTAL, AMMUNITION PRODUCTION BASE SUPPORT		302,200		285,200		-17,000

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
REDUCTION, PY TRANSFER		---		-44,000		-44,000
PRIOR YEAR TRANSFER		---		(44,000)		(+44,000)
REVISED ECONOMIC ASSUMPTIONS		---		---		---
TOTAL, PROCUREMENT OF AMMUNITION, ARMY		2,494,000		2,625,050		+131,050
TRANSFER FROM OTHER ACCOUNTS		---		(44,000)		(+44,000)
TOTAL FUNDING AVAILABLE		2,494,000		2,669,050		+175,050

COMMITTEE RECOMMENDED ADJUSTMENTS

Discussion of the Committee adjustments to budgeted program amounts authorized by the Senate follows:

Adjustments in agreement with revised budget.—The Committee recommends a number of deferrals in agreement with the revised budget and the annual GAO review of the Army ammunition program. In most cases the deferral is due to projected excess inventory. The deferrals include: $9,900,000 for 7.62mm ball ammunition; $7,800,000 for .50 caliber 4 ball, tracer ammunition; $9,400,000 for 105mm TP–T tank ammunition; and $17,800,000 for 155mm propelling changes (WB) M4.

DIVAD gun ammunition.—The Army requested $92,100,000 for the DIVAD gun ammunition. The Committee has reduced that amount by half in conjunction with the elimination of the 1985 DIVAD procurement funds. Of these funds, $16,500,000 have been applied to the 4.2-inch mortar program and the balance to the purchase of light antiarmor weapons to continue building inventories.

81mm mortar training round.—The Committee recommendation provides the $7,900,000 requested but not authorized for training rounds for the new 81mm mortar. In funding the family of 81mm mortar rounds authorized, the Committee feels it prudent also to fund the lower cost training rounds as a means of reducing training costs.

4.2-inch mortar ammunition.—The Army advises that it is budgeting production funds for the 4.2-inch HE round in 1986 in compliance with defense guidance, but that a minimum of $16,500,000 is needed in 1985 to continue production at the minimum sustaining rate of production until 1986 funds are available. The Committee recommends $33,000,000.

Fuzes.—The Committee understands the program for the M732 proximity fuze cannot be executed as planned in 1985 and deletes the $47,700,000 requested. Subsequent to the budget submission, a new requirement for the M739 point detonating fuze developed. The Committee recommends $11,100,000 for this fuze so that at least one fuze production line is open during the fiscal year 1985 delivery period.

War reserve readiness items.—As partial offsets to the adjustments recommended above, the Army advised, in response to the Committee's request, that additional funding is needed to increase the levels of war reserve munitions for the new improved conventional (ICM) munitions. Accordingly, increases of $35,000,000 for 155mm and $25,000,000 for 8-inch artillery ammunition are recommended, which will also help maintain economical rates of production and reduce costs.

Copperhead.—The Committee recommends $30,000,000 over the budget request, in agreement with authorization legislation, for a total 1985 program of $132,800,000. The Committee has been concerned about the cost of the Copperhead laser-guided artillery shell. In providing the extra funding which can be used only if the marginal cost of the extra 1,000 rounds authorized is less than $30,000 per round, the Committee expects the Army to make similar investments in subsequent years' budgets.

HYDRA-70 rocket.—The Committee recommends $25,700,000 for the U.S.-produced HYDRA-70 weapon system, the modernized all-service 2.75-inch rocket system that best meets the needs of the Army, Air Force, Navy, and Marine Corps. The HYDRA-70 is the result of a successful product improvement program that began in 1974. Accordingly, funds appropriated for the 2.75-inch rocket system are to be executed without delay so as to rebuild necessary levels of this important weapon. The Committee commends the Department of Defense for fielding such a weapon which has greatly increased effectiveness yet has avoided the high costs that are frequently associated with the full-scale development of a completely new system.

War reserve propellant stockpile.—As part of the Department of Defense plan to provide adequate supplies of propellants, notably RDX/HMX, to support the transition to full mobilization production levels, the Army requested $33,900,000 to continue a stockpiling program started as part of the RDX/HMX production base upgrade.

In reviewing the requirement for this stockpile, the Committee noted that neither the effects of the improved production capacity at Holston AAP nor the use of the proveout product from the new facilities had been considered. When considered, the requirement is less than stated in the plan. The Committee directs that the stockpile plan be revised to take into consideration those two considerations and the congressionally funded RDX/HMX master plan. In the interim, the Committee defers the $33,000,000 proposed in a 1984 reprograming request (FY84-36PA) to start the stockpile program due to the lateness in the fiscal year and approves the 1985 request for $33,900,000. The Committee directs that $19,500,000 of the 1984 stockpile funds be used instead to accelerate the initial construction of the first RDX manufacturing facility as discussed below.

Production base support.—The Army's request for $282,200,000 for provisioning of industrial facilities is decreased by $58,000,000. This includes a reduction of $42,000,000 for facilities for chemical munitions such as Bigeye and binary artillery shells, which were not authorized for production.

The Committee recommends a net reduction of $16,000,000 in proposed funding for the RDX/HMX improvement program. Specifically, the initiation of the Holston modernization program cannot now begin until 1985 and first year funding of $5,000,000 instead of the $24,000,000 requested is recommended. Any additional funding requirements that might develop can be addressed in a reprograming request.

Similarly, the Army advised that only $4,000,000 of the $11,000,000 requested can be used for the new HMX facility at Longhorn, Tex. A reduction of $7,000,000 is recommended

Finally, the Committee recommends a total of $51,000,000 to initiate the RDX/HMX mobilization plant program covered in the authorization conference agreement. The Committee understands that multiple site plan is considered feasible by the Army although it will be about 40 percent more costly than the plan proposed. In providing initial funding, it is acknowledged that some sizing and site plan work may be necessary before these funds may be obligated.

The Committee recommends the following allocation for new RDX facilities:

Location	
Louisiana AAP	$10,000,000
Joliet AAP	19,500,000
Alabama AAP	19,500,000
Indiana AAP	1,000,000
Iowa AAP	1,000,000

The Committee also approves the programming of 1984 funds in the amount of $19,500,000 for the Louisiana AAP RDX facility submitted as part of the Army's reprogramming request fiscal year 1984–36PA.

Readiness ammunition funding.—The Committee recommends a total of $192,000,000 over budget and authorization for Army conventional ammunition to bring the real purchasing power in 1985 up to the level achieved in 1982. The Committee notes that this is the only munitions account with less real purchasing power in 1985 than 1982. The funds have been distributed to lines identified by the Service as the most pressing readiness requirements.

Authorization changes.—The Committee recommends the following adjustments in accordance with the Senate-passed authorization bill (S. 2723):

[In thousands of dollars]

Program	Fiscal year 1985 budget request	Committee recommendation	Recommendation compared to budget
Cartridge, 5.56mm	13,300	14,900	+1,600
Cartridge, 9mm	1,400		-1,400
Cartridge, .50 caliber, LKD&CTN	3,100	4,100	+1,000
Cartridge, .50 caliber, M1D1	13,900	17,300	+3,400
Cartridge, .50 caliber, tracer	1,700	2,800	+1,100
Cartridge, 20mm, Vulcan		8,000	+8,000
Cartridge, DIVAD	29,300	13,800	-15,500
Cartridge, 40mm, DIVAD	48,000	44,500	-3,500
Cartridge, low velocity	6,700	4,400	-2,300
Cartridge, 4.2-inch, smoke	10,200		-10,200
Cartridge, 120mm, XM829	20,900	30,900	+10,000
Projectile, 155mm, M718	30,200		-30,200
Projectile, 155mm, M825	12,500	24,500	+12,000
Projectile, 155mm, GB-2	13,000		-13,000
Light antitank weapon	33,800	41,600	+7,800
Simulators	14,100	12,700	-1,400
9th ID test bed	5,000		-5,000

ITEM OF SPECIAL INTEREST

Barrier munitions.—The Committee is in agreement with the Committee on Armed Services that there is an apparent lack of antiarmor ditching capabilities currently available to the Armed Forces, further compounded by a shortage of combat engineer equipment and personnel available to the frontline commander for use in creating effective barriers to armored vehicles. Further, the only effective explosive munitions currently available to accomplish this critical mission are atomic demolitions.

The Committee is aware that the Federal Republic of Germany has been evaluating a nitromethane-based system to accomplish this conventional requirement, while the Army is evaluating a blasting agent approach. The Committee further recognizes that there may be benefits in developing a common antiarmor ditching program with the FRG to eliminate redundancy and compatability problems that plague so many of the so-called joint NATO programs. The Committee directs that the Secretary of the Army to report to the Committee on the feasibility and desirability of establishing a cooperative effort with the FRG for barrier munitions no later than February 1, 1985.

OTHER PROCUREMENT, ARMY

1984 appropriation	$4,680,528,000
1985 budget estimate	6,022,400,000
Committee recommendation	5,256,850,000

The Committee recommends an appropriation of $5,256,850,000, a decrease of $765,550,000 below the President's budget and a decrease of $346,550,000 below the budget revision.

This appropriation finances the acquisition of: (*a*) tactical and commercial vehicles including trucks, semitrailers, and trailers of all types to provide mobility to field forces and the Army logistical system; (*b*) communications and electronics equipment of all types to provide fixed, semifixed, and mobile strategic and tactical communications equipment; (*c*) other support equipment such as chemical defensive equipment, tactical bridging, maintenance shop sets, construction equipment, floating and rail equipment, generators and power units, material handling equipment, medical support equipment, special equipment for user testing, and nonsystem training devices. In each of these activities funds are also included for modification of in-service equipment, investment spares and repair parts, and production base support.

PROGRAM RECOMMENDED

The Committee recommendation provides the following program for fiscal year 1985:

[In thousands of dollars]

	Budget request	Committee recommendation	Change from budget
Tactical and support vehicles	1,535,500	1,482,100	-53,400
Communication and electronics equipment	2,927,000	2,419,850	-507,150
Other support equipment	1,559,900	1,354,900	-205,000

COMMITTEE RECOMMENDED ADJUSTMENTS

Discussion of the Committee adjustments to budgeted program amounts as authorized by the Senate follows:

TACTICAL AND SUPPORT VEHICLES

Five-ton truck program.—The Army is just completing a 5-year procurement of 5-ton trucks and is seeking approval for a follow-on program. The request of $397,200,000 is reduced by $40,600,000 as proposed in the revised budget.

The Committee supports the 5-ton truck program for continued multiyear procurement because it is a stable and mature program with a proven record of production. The Committee is convinced that needlessly changing the design is not justified. Rather, the Army's former plan of designing an improved truck for production in the 1990's still seems reasonable. In that regard, the Committee favors the program outlined in the Army's July 11, 1984, letter which calls for a 3-year buy with two fixed-price, 1-year options to include the provision for allowing competition for only the engine. The Army is directed to develop a plan for transitioning the follow-on or new design 5-ton truck into production so that there is no substantial break in deliveries.

COMMUNICATION AND ELECTRONICS EQUIPMENT

Tactical area communications system.—The Committee recommends $63,250,000, one-half the requested and authorized amount for the Army's mobile subscriber equipment and unit level circuit switch programs. The Committee notes the functional and programmatic similarity between these two programs and recommends a single source of funds for the Army's tactical switching, control and transmission equipment to include mobile radio-telephones.

In its request, the Army proposes to initiate a $4,300,000,000 mobile subscriber equipment (MSE) program through a 1985 request of $110,000,000. The proposed program would provide mobile and static tactical communications within a corps area of 37,500 square kilometers with National Security Agency approved encryption and data transmission capability—the approximate equivalent of a commercial telephone system with mobile radio telephones and data capability.

The Army proposes a nondevelopmental approach because of the urgency of need (the requirement has existed since the early 1970's), wherein no performance requirements are specified. The Army will evaluate systems proposed by industry against an operational baseline defined in a contract proposal solicitation. Potential systems include commercial cellular radio systems, the French RITA and the British Ptarmigan systems under U.S. production arrangements, and combinations of U.S.-produced military systems. Contractors are to deliver hardware for demonstration and evaluation in December 1984.

The Army claims that no development work will be needed to provide the necessary interoperability with existing communications systems and to "downsize" the equipment for installations in small standard shelters. Under a fixed-price contract, the contractor assumes all the risk, which the Committee believes may be substantial.

The Committee notes that there is no guarantee that there is a system which is sufficiently interoperable, can be mounted into the designated shelters at a reasonable cost, and not require some development work, that Congress will support after the contract is signed. For a total program expected to exceed $4,300,000,000 Congress should know what it is buying and that it will work.

The unit level circuit switch (ULCS)—a related program—was originally designed to fill part of today's MSE requirement. The Army is asking for $16,500,000 to buy nine sets of this Marine Corps developed item. (USMC and Air Force start procurement this year.) An Army test agency states the system is "not mature enough for production." The Army is now considering alternatives for filling this requirement and will select a candidate system in early 1985. Pending that selection, the Committee recommends no funds specifically for the unit level circuit switch.

Because of the need, the Committee has recommended $63,000,000, on a new procurement line with direction to report back with specific procurement plans, future funding requirements, and system performance specifics for the Army's tactical area (corps) communications system at least 30 days before obligating any funds.

SINCGARS tactical radios.—In approving the $135,500,000 requested for the SINCGARS program, the Committee directs the Army to pursue vigorously its competitive leader-follower procurement strategy leading to fiscal year 1986 and fiscal year 1987 educational buys from the follower. The Committee understands the final technical design package will be delivered in early 1986 and expects that, beginning with the fiscal year 1988 program, there will be competitiion with the winner getting the larger share of each year's procurement.

Speech security device, KYV-4.—In agreement with the Senate authorization legislation, the $12,900,000 requested for the KYV–4/TSEC speech security device has been transferred to the SINCGARS radio equipment lines of the aircraft procurement account ($11,500,000) and the other procurement account ($1,400,000).

Dragon night sight (AN/TAS-5).—The Committee recommends deleting the $24,000,000 budgeted for Dragon night sights which the Army is no longer planning to procure. This reduction is partially offset by the increase in TOW-II night sight production recommended elsewhere.

Night vision goggles (AN/PVS-7).—The PVS–7 is an improved version of the AN/PVS–5 night vision goggles which is currently in production.

The Committee understands that continued technical difficulties and testing delays make the 1985 program unexecutable and recommends a deferral of the $49,300,000 requested. The $7,500,000 provided last year will remain available to initiate this program or for the procurement of the AN/PVS–5 goggle as warranted.

OTHER SUPPORT EQUIPMENT

M–9 armored combat earthmover.—The M–9 earthmover provides high speed combat engineer support to heavy armor units. The program was approved for multiyear procurement in 1984 after a period of initial production in 1981 and 1982. In 1985, $81,100,000 was requested to continue production of 119 vehicles.

The Army recently withdrew the solicitation for bids on the multiyear production contract because of the need for further testing to demonstrate a reliable and operationally effective vehicle. The Army estimates this will delay contract award by approximately 1 year.

Reliability has been a persistent problem with this vehicle, and there is insufficient program stability to support multiyear procurement. Accordingly, the Committee recommends bill language rescinding the multiyear authority and has deleted the $81,100,000 budgeted for new production because of the program slippage.

Medical readiness.—The Committee directs that the $12,800,000 in 1984 Other Procurement, Army, funds proposed for transfer in a disapproved reprogramming (fiscal year 1984–85 PA) be applied within that account for additional combat medical support materiels.

Items less than $900,000 (CSS-EQ).—The Committee recommends a reduction of $5,000,000 to the request of $14,800,000 as part of an authorized general reduction.

Production enhancing investment program.—The Committee recommends deleting the $12,700,000 requested for this productivity enhancing program as part of an authorized general reduction. The Committee notes that this is only one of three such funding sources for "fast payback capital investments." This particular program funds projects which cannot be funded under the productivity investment fund or quick return on investment program because of inadequate funding levels.

General reduction.—The May budget revision proposed a series of reductions totaling $108,900,000 for other support equipment which included $74,000,000 in medical support equipment and related items. The Committee does not accept these readiness items as suitable for reduction and instead makes a general reduction in the same amount. The balance of the recommended adjustments have been accepted in agreement with the authorization legislation.

Authorization changes.—The Committee recommends the following adjustments in accordance with the Senate-passed authorization bill (S. 2723):

[In thousands of dollars]

Program	Fiscal year 1985 budget request	Committee recommendation	Recommendation compared to budget
Fast attack vehicle	12,800		-12,800
HF radio, PRC-104	5,400		-5,400
Joint Crisis Mgmt	7,200		-7,200
Communications facilities	19,700	11,700	-8,000
DSCS operations control	50,600	34,300	-16,300
EUCOM C3	81,300	48,000	-33,300
Base communications (EUCOM)	24,500	19,500	-5,000
Trailblazer	105,500		-105,500
TECRAS	7,100	5,500	-1,600
Battery computer system	39,700	32,700	-7,000
WWMCCS ADP	15,100	14,200	-900
EW equipment mods	13,100	6,600	-6,500
Night sight, AN/TAS-4	38,800		-38,800
Remotely Piloted Vehicle	144,500	44,500	-100,000
Spares, Telecon	201,400	195,100	-6,300
Spares, Other	191,900	174,600	-17,300
Bridge transporter	28,000	14,000	-14,000
Shop equip., org. maint	39,900	26,900	-13,000
Items less than $900,000 (main equip.)	8,700	8,500	-200
Service Boat	5,000		-5,000

ITEMS OF SPECIAL INTEREST

The Army's recent "Final Comprehensive Report on the U.S. Army Calibration Program" projects savings from automation of its calibration activities and states an intention to add automated meter calibration equipment to its mobile field calibration systems. In addition, other calibration automation is possible in the future. The report projects a cost for its procurement plan of $85,400,000 over the period of fiscal years 1986–90. This figure represents an increase of $22,000,000 over the Army's present calibration program, an increase which the Army projects will produce a cost avoidance of $53,900,000 when compared to the current program.

The acquisition plan contained in the report does not, however, set forth the contractual structure the Army's procurement efforts will take. It appears that the Army will seek a systems integrator as the prime contractor for its new calibration improvement program. The Committee is concerned that such a procurement strategy may leave decisions on the purchase of automated calibration equipment in the hands of a systems integrator and that this could preclude an open and fair procurement process for such equipment. To ensure fairness, the Army should consider providing automated calibration equipment for inclusion in the new calibration sets as Government furnished equipment to the selected systems integrator.

The Committee remains determined to ensure that this procurement is free and open. Accordingly, the Committee expects the Army to design a procurement process in which all U.S. manufacturers who have supplied automated calibration equipment to the Army can compete. The Committee further expects to be kept informed of the Army's actions in this regard.

AIRCRAFT PROCUREMENT, NAVY

1984 appropriation	$10,174,608,000
1985 budget estimate	11,474,200,000
Committee recommendation	10,818,295,000

The Committee recommends an appropriation of $10,818,295,000, a decrease of $655,905,000 below the President's budget request and $115,705,000 below the revised budget.

This appropriation finances the construction, procurement, production, modification, and modernization of aircraft, including ordnance systems, ground support equipment, flight simulators, spare parts, accessories, and specialized equipment, expansion of public and private plants.

PROGRAM RECOMMENDED

The following table compares the Committee recommendation with the budget estimate:

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
AIRCRAFT PROCUREMENT, NAVY						
BA-1 COMBAT AIRCRAFT						
A-6E (ATTACK) INTRUDER (MYP)	6	214,580	6	198,080	--	-16,500
A-6E (ATTACK) INTRUDER (MYP) (AP-CY)	--	---	--	---	--	---
EA-6B (ELECTRONIC WARFARE) PROWLER	6	361,000	6	359,000	--	-2,000
EA-6B (ELECTRONIC WARFARE) PROWLER (AP-CY)	--	18,600	--	18,600	--	---
AV-8B (V/STOL)	32	742,233	32	736,733	--	-5,500
AV-8B (V/STOL) (AP-CY)	--	80,400	--	59,400	--	-21,000
F-14A (FIGHTER) TOMCAT	24	786,900	24	742,400	--	-44,500
F-14A (FIGHTER) TOMCAT (AP-CY)	--	190,000	--	170,800	--	-19,200
F/A-18 (STRIKE FIGHTER) HORNET	84	2,348,130	84	2,348,130	--	---
F/A-18 (STRIKE FIGHTER) HORNET (AP-CY)	--	337,854	--	207,654	--	-130,200
CH-53 (HELICOPTOR) SUPER STALLION (MYP)	10	223,277	10	209,777	--	-13,500
CH-53 (HELICOPTOR) SUPER STALLION (MYP) (AP-CY)	--	69,620	--	36,120	--	-33,500
AH-1T (HELICOPTER) SEA COBRA	22	178,000	22	178,000	--	---
AH-1T (HELICOPTER) SEA COBRA (AP-CY)	--	15,000	--	15,000	--	---
SH-60B (ASW HELO) SEAHAWK	18	333,185	24	400,585	+6	+67,400
SH-60B (ASW HELO) SEAHAWK (AP-CY)	--	52,400	--	57,900	--	+5,500
P-3C (PATROL) ORION	9	378,880	9	321,580	--	-57,300
P-3C (PATROL) ORION (AP-CY)	--	86,100	--	50,000	--	-36,100
E-2C (EARLY WARNING) HAWKEYE	6	312,200	6	306,200	--	-6,000
E-2C (EARLY WARNING) HAWKEYE (AP-CY)	--	29,600	--	29,600	--	---
SH-2F (ASW HELO) SEASPRITE	6	65,860	6	65,860	--	---
TOTAL, BA-1 COMBAT AIRCRAFT		6,823,819		6,511,419		-312,400
BA-2 AIRLIFT AIRCRAFT						
C-9 SKYTRAIN II	--	33,900	--	13,900	--	-20,000
UC-12B	12	32,005	—	---	-12	-32,005
C-2 (MYP)	8	144,206	8	144,206	--	---
C-2 (MYP) (AP-CY)	--	41,200	--	41,200	--	---
ROUNDING ADJUSTMENT	--	---	--	---	--	---
TOTAL, BA-2 AIRLIFT AIRCRAFT		251,311		199,306		-52,005
BA-3 TRAINER AIRCRAFT						
T-34C	--	---	--	---	--	---
ADVERSARY	8	66,800	10	116,800	+2	+50,000
TH-57	36	24,355	36	24,355	--	---
TOTAL, BA-3 TRAINER AIRCRAFT		91,155		141,155		+50,000
BA-4 OTHER AIRCRAFT						
KC-130T (TANKER) HERCULES	--	---	--	---	--	---
E6-A (AP-CY)	--	---	--	---	--	---
UH-60A	--	---	--	---	--	---
FEWSG	--	---	--	---	--	---
TOTAL, BA-4 OTHER AIRCRAFT		---		---		---
BA-5 MODIFICATION OF AIRCRAFT						
A-3 SERIES	--	5,701	--	5,701	--	---
A-4 SERIES	--	21,865	--	21,865	--	---
A-6 SERIES (MYP)	--	149,395	--	149,395	--	---
EA-6 SERIES	--	79,635	--	79,635	--	---
A-7 SERIES	--	74,993	--	74,993	--	---
AV-8 SERIES	--	15,382	--	15,382	--	---
F-4 SERIES	--	5,035	--	5,035	--	---
RF-4 SERIES	--	6,246	--	6,246	--	---
F-14A	--	203,283	--	203,283	--	---
F-8 SERIES	--	175	--	175	--	---
F-5 SERIES	--	3,627	--	3,627	--	---

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
OV-10A	--	47,030	--	47,030	--	---
F-18 MODS	--	40,219	--	40,219	--	---
H-46 SERIES	--	157,534	--	157,534	--	---
H-53 SERIES	--	44,444	--	44,444	--	---
PENGUIN	--	---	--	---	--	---
H-1 SERIES	--	96,684	--	96,684	--	---
H-2 SERIES	--	15,796	--	15,796	--	---
H-3 SERIES	--	110,653	--	110,653	--	---
EP-3 SERIES	--	---	--	---	--	---
P-3 SERIES	--	165,377	--	177,477	--	+12,100
S-3	--	163,606	--	163,606	--	---
US-3A COD	--	2,447	--	2,447	--	---
E-2 SERIES	--	74,746	--	74,746	--	---
T-38	--	---	--	---	--	---
T-34	--	---	--	---	--	---
T-44	--	---	--	---	--	---
T-39	--	---	--	---	--	---
TRAINER A/C SERIES	--	7,883	--	7,883	--	---
TH-57	--	745	--	745	--	---
T-2	--	---	--	---	--	---
C9B SERIES	--	---	--	---	--	---
C-1A	--	---	--	---	--	---
C-2A	--	---	--	---	--	---
UC-12B	--	---	--	---	--	---
EC-130 SERIES	--	33,978	--	33,978	--	---
C-130 SERIES	--	19,881	--	19,881	--	---
FEWSG	--	34,548	--	34,548	--	---
CARGO/TRANSPORT A/C SERIES	--	4,386	--	4,386	--	---
C-131 SERIES	--	---	--	---	--	---
VARIOUS	--	24,199	--	24,199	--	---
POWER PLANT CHANGES	--	13,054	--	13,054	--	---
MISC FLT SAFETY/OPER NECESSITY CHANGES	--	6,955	--	6,955	--	---
COMMON ECM EQUIPMENT	--	264,817	--	214,217	--	-50,600
COMMON AVIONICS CHANGES	--	25,187	--	25,187	--	---
UNDISTRIBUTED REDUCTION	--	---	--	-200,000	--	-200,000
TOTAL, BA-5 MODIFICATION OF AIRCRAFT		1,919,506		1,681,006		-238,500
BA-6 AIRCRAFT SPARES						
SPARES AND REPAIR PARTS	--	1,609,734	--	1,609,734	--	---
TOTAL, BA-6 AIRCRAFT SPARES		1,609,734		1,609,734		---
BA-7 AIRCRAFT SUPPORT EQUIPMENT AND FACIS						
COMMON GROUND EQUIPMENT	--	645,219	--	545,219	--	-100,000
AIRCRAFT INDUSTRIAL FACILITIES	--	55,800	--	55,800	--	---
WAR CONSUMABLES	--	28,700	--	28,700	--	---
OTHER PRODUCTION CHARGES	--	48,956	--	48,956	--	---
UNDISTRIBUTED REDUCTION	--	---	--	---	--	---
TOTAL, BA-7 AIRCRAFT SUPPORT EQUIPMENT AND FACIS		778,675		678,675		-100,000
CONSULTANTS, STUDIES, AND ANALYSES		---		---		---
REVISED ECONOMIC ASSUMPTIONS		---		---		---
CONTRACT SUPPORT SERVICES		---		-3,000		-3,000
REDUCTION, PRIOR YEAR TRANSFERS		---		---		---
PRIOR YEAR TRANSFERS		---		---		---
UNDISTRIBUTED REDUCTION		---		---		---
TOTAL, AIRCRAFT PROCUREMENT, NAVY		11,474,200		10,818,295		-655,905
TRANSFER FROM OTHER ACCOUNTS		---		---		---
TOTAL FUNDING AVAILABLE		11,474,200		10,818,295		-655,905

COMMITTEE RECOMMENDED ADJUSTMENTS

Discussion of the Committee adjustments to budgeted program amounts authorized by the Senate follows:

AV-8B V/STOL.—The AV-8B is a single-seat, single-engine, transonic attack jet aircraft capable of vertical/short takeoff and landing. This V/STOL capability combined with high performance and combat effectiveness provides the Marine forces with a quick reaction weapons system.

The Committee recommends $736,733,000 for procurement of 32 aircraft based on favorable exchange rate savings. A $21,000,000 reduction in advance procurement funding is made in agreement with the Senate authorizing legislation.

F-14 Tomcat.—The F-14A aircraft is a two-seat, long-range interceptor designed to maintain area air superiority for the fleet. This aircraft may be equipped with Phoenix, Sparrow, and Sidewinder air-to-air missiles, and with other newer missiles now under development.

The Committee recommends a reduction of $44,500,000 in the budgeted procurement of the 24 aircraft approved in the Senate authorization legislation. The reduction is $40,500,000 below authorization and is to be offset by $24,900,000 in savings from the 1984 program, and anticipated savings of $15,600,000 in engine contract savings.

The $170,800,000 provided for advance procurement, as authorized by the Senate, is a reduction of $19,200,000.

EA-6B and A-6E engines.—The Committee recommends reductions of $1,900,000 and $1,500,000 in the EA-6B and A-6E programs based on anticipated engine contract savings.

F-18 Hornet.—The F-18 is a single-seat, two-engine, supersonic aircraft designed to perform beyond-visual-range air intercept, fighter escort air superiority, air-to-surface strike, and close air support missions against both land and sea targets.

In addition to the full $2,348,130,000 requested for the 1985 program of 84 F/A-18's, the Committee recommends $207,654,000 for advance procurement of the 84 F/A-18's authorized for 1986. This is a reduction of $70,200,000 below the authorization, and $130,200,000 below the President's request, but does provide the amount contained in the budget revision for 84 aircraft instead of the 102 proposed in the President's budget.

CH-53E helicopter.—The CH-53E is a three-engine, shipboard compatible, Navy and Marine Corps heavy-lift helicopter.

The Committee recommends $209,777,000 for procurement of 10 helicopters. This is a reduction of $13,500,000 below the request, based on anticipated contract savings. Additionally, $36,120,000 is provided for advance procurement of the fiscal years 1986-89 multiyear procurement of 56 CH-53E and MH-53E's, the mine-sweeping version of the CH-53. This is a reduction of $33,500,000 based on a reduction of the termination liability requirements for the 1985 advance procurement contract. The funds provided fully fund the advance procurement contract to the extent of termination liability.

SH-60B Seahawk LAMPS III.—The light airborne multipurpose system (LAMPS) is a computer integrated, ship-helicopter system that increases the effectiveness of surface combatants in the ASW mission. The air vehicle is the SH-60B helicopter which provides a remote platform for deployment of sonobuoys and torpedoes, processing of sensor information, and elevated platform for radar and electronic warfare support measures.

The Committee recommends the addition of $67,400,000 over the budget request for a total of $400,585,000 for 24 SH-60B LAMPS III helicopters, an increase of 6 helicopters, as authorized. A total of $57,900,000 is recommended for advance procurement of 24 SH-60B's in fiscal year 1986, also an authorized increase of 6 over the budget. The Committee understands these additional aircraft are needed to fill deck spaces that will be entering the fleet ahead of schedule.

SH-2F LAMPS I helicopters.—The Committee recommends the budget estimate of $65,860,000 to produce six SH-2F light airborne multipurpose system MK I antisubmarine warfare helicopters. Of the amount recommended, $8,000,000 shall be available for advance procurement of up to 12 helicopters in fiscal year 1986. In addition, $17,000,000 included in the research and development section of the report is recommended to complete the prototype, testing, and certification of the T-700 configured SH-2F aircraft.

The Navy should give serious consideration to proposals which have been advanced to provide additional antisubmarine warfare capability to the Naval Reserve by maintaining the existing configuration of FFG-7 class reserve frigates and assigning additional SH-2F aircraft. Preliminary cost estimates indicate that additional SH-2F procurement costs would be almost completely offset by avoiding ship alterations required to reconfigure Naval Reserve ships to accept the LAMPS MK III. The Navy should develop the fiscal year 1986 budget with these proposals as a primary guideline.

Navy adversary aircraft.—The Navy budgeted $66,800,000 to continue its adversary aircraft replacement program. The Committee recommends $116,800,000, as authorized by the Senate.

The Navy has a special training program for teaching fleet pilots proficiency in aerial combat utilizing "adversary" aircraft that are dissimilar to U.S. force structure aircraft and capable of simulating the performance of a potential enemy. The Air Force has a similar aggressor program. The Navy last year began a program to modernize its adversary squadrons with new aircraft and replace aging A-4's and F-5E's with new aircraft that will be representative of the newest threats now coming into the Soviet bloc inventory.

The $28,700,000 appropriated last year for the adversary program would have procured very few airplanes. The Senate authorization directed that those funds be combined with the $66,800,000 requested for fiscal year 1985, plus $50,000,000 added to the program, to provide a total of $145,500,000 available for the first procurement of new adversary aircraft. In order to avoid unnecessary cost and further delay, the Navy should encourage innovative industry offers such as commercial type pricing and operational and support warranties, and utilize to the fullest extent possible existing service/contractor program and management structure for the procurement of the aircraft.

The Senate authorization report also recommends that the Navy and Air Force study the feasibility of a joint program to use a common replacement aircraft to modernize both the aggressor and adversary squadrons. The Committee supports this concept and recommends that if a common replacement aircraft program is selected, the Air Force should be the procuring agency since its total number of aircraft needed is significantly larger than the Navy's.

P–3C Orion.—The P–3C is a land-based, four-engine, turboprop, antisubmarine warfare patrol plane.

In recommending the full $321,000,000 authorized for production of nine P–3C's and the $50,000,000 authorized for advance procurement, the Committee notes that the Navy has virtually 100 percent of its required P–3's, although not all in the preferred P–3C configuration. Furthermore, a procurement of five P–3's in 1985 is enough to replace predicted losses, to include providing aircraft to the EP–3 program and Customs Service drug enforcement program.

The Committee appreciates the corrosion and metal fatigue problems occurring in P–3's but does not feel that the Department has an effective method of predicting attrition rates from structural deterioration and wash—at rates based on excessive repair costs. In fact, retired P–3's continue to be flown by the Customs Service and are proposed for conversion to a CP–3A configuration for the Navy.

The Committee directs the Navy to provide the Committee on Appropriations a copy of the long-range master plan for Naval Air ASW forces requested by the Senate Armed Services Committee. The Committee further requests that this plan be structured to identify separately the ASW platforms and sensors. Pending receipt of this report, the Committee will support the procurement of the authorized nine aircraft in 1985.

Finally, the Committee recommends the full amount requested for P–3 modification, with an additional $7,500,000 for AQA–7 acoustic processor improvements—adds a triple vernier capability—for Naval Reserve P–3A/B's and $4,600,000 for modification of the P–3A's being provided to the Customs Service.

C–9 transports.—The Navy is requesting funds to complete its buy of 29 used DC–9's for the Navy Reserve. Last year the Committee provided $51,000,000 with which the Navy was able to acquire eight aircraft at an average cost of $6,375,000. The Committee recommends funding of $13,900,000 for the last two aircraft and deletes $20,000,000 from the request.

Common ECM equipment.—The Committee recommends a deferral of $50,600,000 in the $264,800,000 requested. The Committee understands such a deferral is feasible and is being planned as an affordability adjustment.

Common ground equipment.—The Committee recommends a reduction of $100,000,000 for common ground equipment as proposed in the revised budget in lieu of the undistributed general reduction authorized.

Aircraft modifications.—The Navy has requested $1,919,500,000 for aircraft modifications against which a $200,000,000 undistributed reduction was proposed in the revised budget and Senate authorization. The Committee has been informed that the Navy expects to be able to execute the budgeted program within the $1,731,600,000 recommended by the Committee covering the reduction through expected contract savings. The Committee applauds that effort but expects to be notified if any program deferrals are required as a result of the reduction.

Navy aircraft spares and repair parts.—The Committee recommends the full $1,609,734,000 requested for procurement of spares and repair parts. This is $30,000,000 above the Senate authorized level and provides for centrally managed, high dollar value, depot repairable assemblies, components, and repair parts such as engines, transmissions, and gear boxes.

Authorization changes.—The Committee recommends the following adjustments in accordance with the Senate-passed authorization bill (S. 2723):

[In thousands of dollars]

Program	Fiscal year 1985 budget request	Committee recommendation	Recommendation compared to budget
A-6E	214,580	199,580	-15,000
AV-8B	80,400	59,400	-21,000
F-14A	976,900	953,700	-23,200
P3-C	464,980	371,580	-93,400
E2-C	312,200	306,200	-6,000
UC-12B	32,005		-32,005
Aircraft modifications, undistributed reduction		-200,000	-200,000

WEAPONS PROCUREMENT, NAVY

1984 appropriation	$3,725,332,000
1985 budget estimate	4,650,860,000
Committee recommendation	4,395,960,000

The Committee recommends an appropriation of $4,395,960,000, a decrease of $254,900,000 below the President's budget request and $12,700,000 below the budget revision.

This appropriation finances the construction, procurement, production, modification, and modernization of strategic and tactical missiles, torpedoes, other weapons, and related support equipment, including spare parts and accessories; and expansion of public and private plants.

PROGRAM RECOMMENDED

The Committee recommendations and budget estimates are summarized below by activity:

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
WEAPONS PROCUREMENT, NAVY						
BA-1 BALLISTIC MISSILES						
BALLISTIC MISSILES						
UGM-73A (C-3) POSEIDON	--	5,500	--	5,500	--	---
UGM-96A (C-4) TRIDENT I	--	163,800	--	158,800	--	-5,000
TRIDENT II	--	138,500	--	138,500	--	---
TRIDENT II (AP-CY)	--	24,400	--	24,400	--	---
MODIFICATION OF MISSILES						
UGM-73A (C-3) POSEIDON MODS	--	25,200	--	25,200	--	---
SUPPORT EQUIPMENT AND FACILITIES						
SPARES AND REPAIR PARTS	--	3,800	--	3,800	--	---
MISSILE INDUSTRIAL FACILITIES	--	4,000	--	4,000	--	---
ASTRONAUTICS	--	14,600	--	14,600	--	---
		------------		------------		------------
TOTAL, BA-1 BALLISTIC MISSILES		379,800		374,800		-5,000
		============		============		============
BA-2 OTHER MISSILES						
STRATEGIC MISSILES						
BGM-109 TOMAHAWK	180	532,100	180	532,100	--	---
BGM-109 TOMAHAWK (AP-CY)	--	28,000	--	28,000	--	---
TACTICAL MISSILES						
AIM/RIM-7 F/M SPARROW	1,250	258,000	1,495	288,000	+245	+30,000
PRIOR YEAR TRANSFER		---		(20,000)		(+20,000)
AIM-9L/M SIDEWINDER	1,000	68,600	1,000	58,600	--	-10,000
AIM-54A/C (PHOENIX)	400	407,000	265	317,000	-135	-90,000
AIM-54A/C (PHOENIX) (AP-CY)	--	36,800	--	17,300	--	-19,500
AGM-84A HARPOON	354	327,100	354	327,100	--	---
AGM-88A HARM	803	309,700	803	289,700	--	-20,000
AGM-88A HARM (TRANSFER)		---		---		---
RIM-66B STANDARD MR	650	206,300	600	190,300	-50	-16,000
RIM-66C STANDARD MR	475	313,600	475	313,600	--	---
RIM-67B STANDARD ER	255	186,700	255	186,700	--	---
STANDARD MISSILES (SPECIFIC APPLICATIONS)	--	---	--	---	--	---
RAM	30	18,000	30	18,000	--	---
HELLFIRE	438	25,211	438	25,211	--	---
LASER MAVERICK	600	110,600	600	110,600	--	---
IIR MAVERICK	190	29,700	--	---	-190	-29,700
PENGUIN (AP-CY)	--	---	--	---	--	---
AERIAL TARGETS	--	60,500	--	60,500	--	---
OTHER MISSILE SUPPORT	--	6,700	--	6,700	--	---
MODIFICATION OF MISSILES						
AIM/RIM-7E/F SPARROW MOD	--	2,400	--	2,400	--	---
AIM-9 SIDEWINDER MOD	--	32,100	--	32,100	--	---
AIM-54A/C PHOENIX MOD	--	4,600	--	4,600	--	---
AGM-84A HARPOON MOD	--	16,700	--	16,700	--	---
STANDARD MISSILES MOD	--	6,200	--	6,200	--	---
SUPPORT EQUIPMENT AND FACILITIES						
SPARES AND REPAIR PARTS	--	150,049	--	140,049	--	-10,000
WEAPONS INDUSTRIAL FACILITIES	--	27,400	--	27,400	--	---
FLEET SATELLITE COMMUNICATIONS	--	51,400	--	51,400	--	---
ORDNANCE SUPPORT EQUIPMENT						
ORDNANCE SUPPORT EQUIPMENT	--	13,500	--	11,500	--	-2,000
UNDISTRIBUTED AND ROUNDING REDUCTIONS	--	---	--	---	--	---
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TOTAL, BA-2 OTHER MISSILES		3,228,960		3,061,760		-167,200
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[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
BA-3 TORPEDOES AND RELATED EQUIPMENT						
TORPEDOES AND RELATED EQUIPMENT						
TORPEDO MK-48	144	127,700	60	60,000	-84	-67,700
TORPEDO MK-48 (ADCAP)	--	---	44	105,600	+44	+105,600
TORPEDO MK-46 (MYP)	1,565	256,000	1,565	256,000	--	---
TORPEDO MK-46 (MYP) (AP-CY)	—	---	--	---	--	---
MK-60 CAPTOR	300	128,500	300	122,000	--	-6,500
MK-60 CAPTOR (TRANSFER)		---		---		---
MOBILE TARGET MK-30	6	21,300	6	21,300	--	---
MK-38 MINI MOBILE TARGET	1,200	2,500	1,200	2,500	--	---
ASROC	--	25,900	--	25,900	--	---
MOD OF TORPEDOES AND RELATED EQUIP						
MOBILE MINE MK-67	280	22,600	280	22,600	--	---
TORPEDO MK-46 MODS	--	2,300	--	2,300	--	---
TORPEDO MK-48 MODS	23	108,900	--	---	-23	-108,900
CAPTOR MODS	--	5,700	--	5,700	--	---
SWIMMER WEAPON SYSTEM	--	1,600	--	1,600	--	---
SUPPORT EQUIPMENT						
TORPEDO SUPPORT EQUIPMENT	--	46,500	--	46,500	--	---
ASW RANGE SUPPORT	—	24,800	--	24,800	--	---
SPARES AND REPAIR PARTS	--	24,700	--	24,700	--	---
		------------		------------		------------
TOTAL, BA-3 TORPEDOES AND RELATED EQUIPMENT		799,000		721,500		-77,500
		============		============		============
BA-4 OTHER WEAPONS						
GUNS AND GUN MOUNTS						
MK-15 CLOSE IN WEAPONS SYSTEM	51	163,900	51	163,900	--	---
MK-15 CLOSE IN WEAPONS SYSTEM (TRANSFER)		---		---		---
5/54 CAL GUN MOUNT ROTABLE POOL (MYP)	--	---	--	---	--	---
MK-75 76MM GUN MOUNT	4	10,900	4	10,900	--	---
MK-19/40MM MACHINE GUN	58	2,000	58	2,000	--	---
25MM GUN MOUNT	17	3,100	17	3,100	--	---
9MM HANDGUN	--	---	--	---	--	---
SMALL ARMS AND WEAPONS	—	3,500	—	300	--	-3,200
MODIFICATION OF GUNS AND GUN MOUNTS						
CIWS MODS	--	30,300	--	30,300	--	---
5 /54 GUN MOUNT MODS	--	6,200	--	6,200	--	---
3"/50 GUN MOUNT MODS	—	400	--	400	--	---
MK 75 76MM GUN MOUNT MODS	--	2,700	--	2,700	--	---
COAST GUARD GUN SUPPORT PROGRAM	--	5,500	--	5,500	--	---
MODS UNDER $900,000	--	1,200	--	1,200	--	---
SUPPORT EQUIPMENT						
GUN SUPPORT EQUIPMENT	--	600	--	600	--	---
SPARES AND REPAIR PARTS	—	12,800	--	12,800	--	---
FACILITIES/CONTRACT SUPPORT	--	---	--	---	--	---
		------------		------------		------------
TOTAL, BA-4 OTHER WEAPONS		243,100		239,900		-3,200
		============		============		============
REDUCTION, PY TRANSFER		---		---		---
PRIOR YEAR TRANSFER		---		---		---
REVISED ECONOMIC ASSUMPTIONS		---		---		---
GENERAL REDUCTION, SPARES		---		---		---
UNDISTRIBUTED CHANGE		---		---		---
CONTRACT SPT SVC		---		-2,000		-2,000
		============		============		============
TOTAL, WEAPONS PROCUREMENT, NAVY		4,650,860		4,395,960		-254,900
TRANSFER FROM OTHER ACCOUNTS		---		(20,000)		(+20,000)
		------------		------------		------------
TOTAL FUNDING AVAILABLE		4,650,860		4,415,960		-234,900

COMMITTEE RECOMMENDED ADJUSTMENTS

Discussion of the Committee adjustments to budgeted program amounts authorized by the Senate follows:

BGM-109 Tomahawk.—The Tomahawk cruise missile is designed as a long-range nuclear or conventionally armed land attack weapon and as a conventionally armed antiship weapon. the Tomahawk is capable of being deployed from a variety of air, surface ship, submarine, and land platforms.

The Committee remains concerned over progress of the conventional land attack (TLAM-C) variant, particularly the performance of the new terminal dive warhead, and appreciates the professional manner in which the program office has responded to its concerns.

Full funding is recommended for 75 nuclear land attack, 75 antiship, and 30 conventional land attack missiles. The amount is $532,100,000 for 1985 production and $28,000,000 for advance procurement. However, the Committee reiterates its direction that no conventional land attack missiles be procured until congress is notified that the missile has successfully completed its operational evaluation to include demonstration of required "CEP" accuracies for the terminal dive maneuver and satisfactory performance levels in the theater mission planning system have been achieved.

Finally, the committee expects that the 1985 contract will be competitively awarded between the two sources of production the Department asked for and established.

AIM/RIM-7 Sparrow missile.—The Sparrow is the Navy's medium-range radar-guided air defense missile launched from both fleet aircraft and shipboard launchers.

The Committee recommends an appropriation of $288,000,000 for 1,495 missiles. This is an increase over budget and authorization of 245 missiles and $30,000,000. In addition, $20,000,000 is provided by transfer from the Navy's 1984 weapons procurement account as proposed in the revised budget. The Committee notes that the Sparrow missile is one of the items frequently cited as a major contribution to fleet readiness and that these additional funds are needed to sustain readiness levels.

AIM-54A/C Phoenix missile.—AIM-54A/C Phoenix missile is the Navy's long-range air-to-air missile used for defense of their carrier battle groups.

The Committee has been informed that the Navy has temporarily stopped deliveries of the Phoenix missile incident to preparations for going to full rate production. The Committee recommends a reduction of $90,000,000 and 135 missiles below the request and $40,000,000 and 75 missiles below authorization. This reduction recognizes that deliveries have been stopped and are behind schedule.

Advance procurement is provided for 265 missiles, a reduction of 202 missiles and $19,500,000 below the request.

The Navy is also considering developing a second source of production for Phoenix, and possibly other tactical missiles. While the Committee generally approves of competitive second sources of production, as in Tomahawk, it does so only when there is a reasonable likelihood that the startup costs can be recovered and the Department can execute the program as proposed. The Committee requests that the Navy provide a plan detailing its budget and schedule requirements. After receipt of that plan, the Committee will address any reprogramming requests offered to support the competitive procurement initiative.

The Committee recommends a $7,400,000 'reduction in Phoenix missile spares.

AGM-88A missile (HARM).—The HARM is an air-to-surface antiradiation missile designed to destroy or suppress land and sea based radar equipment that direct air defenses. The HARM missile is compatible with various Navy and Air Force tactical aircraft.

The Committee recommends $289,700,000 for procurement of 803 missiles, the full quantity requested by the Navy, a reduction of $20,000,000 based on anticipated contract savings.

IIR Maverick.—The Navy budgeted $29,700,000 for 190 IIR Maverick missiles, which is an Air Force developed terminally guided air-to-ground antiarmor weapon. The Committee recommends no new funding as proposed in the May budget revisions, a reduction of $9,700,000 below the amount authorized by the Senate. The $2,600,000 for missile spares is also deleted.

Ordnance support equipmelnt.—The Committee recommends a reduction of $2,000,000, the details of which are discussed in the classified annex.

MK-48 torpedo program.—The MK-48 torpedo is the Navy's primary heavy torpedo for antisubmarine warfare. It has been in serial production for a number of years. Most recently, the "Mod 4" version has been in production concurrently with a modification program to upgrade the existing inventory to "Mod 4" version.

An advanced capability version, the MK-48 ADCAP, has been in development and was proposed for transition into production first with modification or retrofit kits, followed by production of all-up-rounds. The Navy requested $108,900,000 for 23 MK-48 ADCAP kits. It also budgeted $127,700,000 for production of 144 MK-48 (Mod 4) torpedoes.

In the May budget revision, the Department modified its program to accelerate its transition to production of MK-48 ADCAP torpedoes and the phasedown of MK-48 (Mod 4) production. The Navy argues that this is a cost-effective way of increasing both the quality and quantity of the heavy torpedo inventory. In supporting the Navy's plan to accelerate production of the ADCAP torpedo instead of conversion kits, the Committee finds the plan to establish a competitive production second source to be reasonable. However, the schedule may be overly optimistic while not adequately recognizing the potential savings available from the productive capacity and experience that exists in the MK-48 program. Accordingly, the Navy should adjust the fiscal years 1985 and 1986 heavy MK-48 torpedo funding to consider cost-effective measures needed to maintain any available production and program support capabilities of the selected second source of ADCAP production and to insure the availability of a torpedo production base. To this end, the Committee recommends $60,000,000 for 51 MK–48 (Mod 4) torpedoes as proposed in the revised budget.

The Committee notes that, in accordance with direction from the Appropriations Committees, none of the 1984 MK–48 ADCAP procurement funds has been obligated pending resolution of a number of congressional concerns and a review by the CNO's Executive Board. This review has been rescheduled a number of times and is still pending. These 1984 funds are considered available for funding a restructured MK–48/MK–48 ADCAP program once the senior Navy leadership has reviewed and certified that all ADCAP technical difficulties have been resolved and that the program is ready to enter production. The Committee extends this restriction on the obligation of ADCAP funds to include the 1985 funds.

The Committee recommends $105,600,000, $18,300,000 less than the amount authorized by the Senate, for production of 44 all-up MK–48 ADCAP torpedoes on a separate procurement line instead of a modification line. This is a reduction of $36,600,000 below the revised budget. The Committee believes the total of $183,300,000 available in the combined 1984/1985 program is sufficient for the first program year in light of the continuing program delays.

MK–60 Captor encapsulated torpedo.—The Captor mine is a moored, antisubmarine mine that launches an appropriately modified MK–46 torpedo against submerged submarines while rejecting surface targets.

The Committee recommends $122,000,000 for procurement of 300 MK–60 torpedoes, a reduction of $6,500,000. This recommendation fully funds the 1985 program, which was deleted in the budget revisions.

The Committee is concerned that the Navy may be planning premature termination of the production capability of the free world's only deep water antisubmarine mine. The recently completed mine warfare master plan supports an inventory objective substantially in excess of the quantity that will be available through the fiscal year 1985 program. Further, it is quite possible that additional inventory requirements will be identified through currently planned Navy testing activities.

It is the view of the Committee that the Navy should closely review the need for continued production capability for Captor mines.

Support equipment and facilities.—The Navy is requesting $27,400,000 for its 1985 weapons industrial facilities program for which the Committee recommends full funding. Within these funds, the Committee directs that $2,500,000 be used for the reconstruction of the solvent preparation building at the Allegheny Ballistics Laboratory. These facilities were destroyed in 1981 and are needed to support the TOW II, Sparrow missile, and Trident programs.

Authorization changes.—The Committee recommends the following adjustments in accordance with the Senate-passed authorization bill (S. 2723):

[In thousands of dollars]

Program	Fiscal year 1985 budget request	Committee recommendation	Recommendation compared to budget
Trident missile	163,800	158,800	-5,000
Sidewinder missile	68,600	58,600	-10,000
RIM-66B standard missile	206,300	190,300	-16,000
Missile spares	150,049	140,049	-10,000
Phoenix	(38,000)	(30,600)	(-7,400)
Maverick	(2,600)		(-2,600)
Small arms and weapons	3,500	300	-3,200

SHIPBUILDING AND CONVERSION, NAVY

1984 appropriation	$11,215,400,000
1985 budget estimate	13,141,900,000
Committee recommendation	11,558,300,000

The Committee recommends an appropriation of $11,558,300,000 and transfers of $347,400,000 from prior year funds. This is a decrease of $1,583,600,000 below the budget estimate.

This appropriation finances the construction, acquisition, or conversion of vessels, including armor and armament, plant equipment, appliances, and machine tools for production plants and facilities; and procurement of long leadtime components and designs of vessels.

PROGRAM RECOMMENDED

A comparative table of the Committee recommendations and the budget estimates follows:

[Dollar amounts in thousands]

	Budget estimate		Budget revisions		Committee recommendation		Change from request	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Fleet ballistic missile ships:								
Trident (nuclear)	1	$1,489,500	1	$1,489,500	1	$1,482,700		-$6,800
Advance procurement		265,500		265,500		265,500		
TAK (conv) cargo ship	1	91,100					-1	-91,100
Advance procurement								
Other warships:								
SSN-688 class submarine (nuclear)	4	2,262,200	3	1,642,200	4	1,811,800		-450,400
Transfer						(290,400)		(+290,400)
Advance procurement		617,800		517,800		562,800		-55,000
Battleship reactivation	1	422,600					-1	-422,600
CV SLEP carrier life extension	1	583,200	1	583,200	1	583,200		
Advance procurement		181,300		181,300		131,300		-50,000
CG-47 AEGIS cruiser (MYP)	3	3,125,600	3	3,125,600	3	2,918,600		-207,000
Advance procurement		24,400		24,400		20,900		-3,500
Prior-year transfer						(57,000)		(+57,000)
DDG-51 destroyer	1	1,173,400	1	1,173,400	1	1,173,400		
Amphibious ships:								
LSD-41 landing ship dock	2	406,000	2	406,000	2	406,000		
Advance procurement		83,500		83,500		83,500		
LHD-1 amphibious assault ship								
Advance procurement		39,200		39,200		39,200		
LPD-4 SLEP		15,000		15,000		15,000		
Mine warfare and patrol ships:								
MCM mine countermeasures ship	4	349,500	4	349,500	4	349,500		
Auxilliaries, craft:								
TAO fleet oiler	3	562,600	3	562,600	3	537,600		-25,000
TAGOS surveillance ship	3	192,900	3	192,900	2	128,400	-1	-64,500
TAGS survey ship	2	245,000	2	245,000	2	245,000		
TACS crane ship (conv)	2	44,000	2	44,000	1	36,000	-1	-8,000
TAVB (conv)	1	37,600	1	37,600	1	26,600		-11,000
Advance procurement		5,200		5,200				-5,200

[Dollar amounts in thousands]

	Budget estimate		Budget revisions		Committee recommendation		Change from request	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Auxilliaries, craft—Continued								
ARTB—Nuclear reactor training ship (conv)								
Advance procurement						$30,000		+$30,000
Strategic sealift		$31,000		$31,000		31,000		
LCAC landing craft	9	198,800	9	198,800	9	198,800		
Advance procurement		31,300		31,300		31,300		
Service craft		81,200		81,200		54,700		−26,500
Landing craft		11,900		11,900		11,900		
Outfitting		204,400		204,400		204,400		
Post delivery		179,200		179,200		179,200		
Cost growth		187,000						−187,000
Reduction for improved prices				−150,000				

ADVANCE PROCUREMENT BUDGETING

The fiscal year 1985 budget request includes $1,263,200,000, over 10 percent of the shipbuilding budget, for advance funding to procure material for construction and conversion programs scheduled in fiscal years 1986 and 1987. Although Congress advocates the full funding policy to reflect all procurement program costs in a single fiscal year, advance funding requests have been tolerated for programs which experience unusually long leadtimes for critical materials. However, in recent years the Committee has observed an unacceptable trend toward advance procurement as a means to fund future programs incrementally.

The limited exceptions granted by Congress for advance procurement have traditionally been restricted to nuclear powered vessels. The historically long leadtime for nuclear reactor core and component fabrication has required advance funding up to 2 years prior to full funding for nuclear ship construction. Prior funding assures that critical materials are delivered to the shipyard for installation at the required point in the construction schedule. But drawing on its success in obtaining approval for advance funding of nuclear material, the Navy has begun to submit budgets for advance procurement to support future conventional ship construction programs. These requests bear little relationship to long lead requirements.

Selected elements of the current request for advance procurement appear to have no justification other than as a down payment, or buy-in, for future programs. The $83,000,000 advance procurement request for LSD amphibious ships, for example, will be used to procure material which will be stored in a shipyard warehouse until after ship construction begins. The only justification for this request offered by the Navy is that a contractual obligation tied to the acceptance of favorable option prices requires the purchase of materials in advance even though early material delivery is unnecessary to meet planned construction schedules. Similarly, the TAVB avionics logistics support ship request for $5,200,000 in advance of a fiscal year 1986 ship conversion is budgeted for critical long lead materials like valves, pumps, and air conditioners. The Navy plans to treat the $55,023,653 ship conversions as a option to a $2,790,780 design contract previously funded in the operation and maintenance account. Clearly, Congress did not envision such a contractual commitment when the design funding was appropriated. Meanwhile, advance procurement requests for aircraft carrier service life extension programs have evolved into a deliberate incremental funding condition. The first of three funding increments for the fiscal year 1987 work on the carrier *Kitty Hawk* is included in the pending budget. The aggregate value of advance funding for this ship equates to over 31 percent of total program cost. By financing the service life extension program in this manner, total program cost has been masked to some degree and cost controls may become more difficult to enforce. For a program estimated nearly to double in cost between the first and fourth carrier, this development is clearly undesirable.

For the fiscal year 1986 budget submission, the Navy is directed to develop a budget exhibit as a part of the justification material which clearly identifies advance procurement funding requested. The exhibit must delineate the material planned for procurement, justify the request on a leadtime basis, and project the end cost of the ship for which the advance funding is required.

COMMITTEE RECOMMENDED ADJUSTMENTS

SSN–688 attack submarine.—A budget reduction of $505,400,000 is recommended for an allowance of $2,374,600,000 in new budget authority and $290,400,000 of prior-year program transfers for four SSN–688 attack submarines and advance procurement to continue this rate of construction.

Actual contract option prices for basic construction, revised cost estimates for electronics equipment, and reduced project management reserves permit savings of $160,000,000. Fiscal year 1984 basic construction contract savings of $55,000,000 are applied to the advance procurement budget line to offset requirements for the fiscal year 1986 ships.

Bill language is recommended to transfer $290,400,000 of prior-year program funds to offset the new budget authority required for the SSN 688 attack submarine program. Of the amount recommended for transfer, $160,700,000 is based on the revised budget recommendations from fiscal year 1984 Navy aircraft and other procurement programs and $129,700,000 of prior-year shipbuilding funds was determined by the Navy to be excess during the annual spring revision of shipbuilding budget estimates. The following table displays the sources of transfer:

Fiscal year/Navy account	Program	In millions
1984 Aircraft procurement	ECM modification and spares	$75.0
1984 Other procurement	Support equipment	85.7
1983 Shipbuilding	CG–47 cruiser	51.7
1983 Shipbuilding	Trident submarine	25.7
1981 Shipbuilding	FFG frigate	22.3
1981 Shipbuilding	Trident submarine	17.7
1981 Shipbuilding	CG–47 cruiser	12.3

Over the last 2 years the Navy has introduced a series of SSN–688 design changes to enhance weapon system capability and combat system command and control. Concurrently, a number of propulsion system improvements and silencing techniques have been examined, yet the Navy has not introduced any of these substantive changes to improve ship performance. Industry proposals have been offered to significantly reduce propulsion system noise below the current design specifications. Implementation of such inexpensive design changes could enhance quieting features and obviate the need for costly silencing alterations after ship delivery.

The Committee expects the fiscal year 1986 budget request to be based on the incorporation of available propulsion system design changes which maximize ship silencing features. Similarly, the Committee directs that such changes be incorporated in the fiscal year 1985 ship specifications.

Battleship Missouri reactivation.—The Committee recommends a reduction of $422,600,000 from the budget request for the battleship *Missouri* reactivation. All funds required were appropriated in fiscal year 1984. In addition to $57,000,000 advance funding appropriated in fiscal year 1984, the Appropriations Committees approved a $73,400,000 reprogramming to begin work on the *Missouri* reactivation at the Long Beach Naval Shipyard several months ahead of schedule. Recognizing the obvious departure from the full funding policy if the balance of funds were to be appropriated in fiscal year 1985, Congress remedied the incremental financing by applying fiscal year 1984 shipbuilding program savings in the supplemental appropriations act. Any future incremental budgeting proposal will undoubtedly be addressed in a similar manner.

Carrier SLEP advance procurement.—A budget reduction of $50,000,000 is recommended to adjust advance procurement funding in line with current shipyard work planning for the aircraft carrier *Kitty Hawk* service life extension. Navy has decreased the shipyard repair and alterations schedule for *Kitty Hawk* from 28 to 18 months. Although the carrier will not enter the shipyard until early fiscal year 1987, the change to the work package reduces the material which must be procured in advance of planned alterations.

The Committee supports the aircraft carrier service life extension program as a cost-effective means to modernize the carrier task forces in lieu of the expense of new construction. While there is a need for flexibility in the repair and alteration schedules, the Navy is expected to advise the Committee prior to any significant adjustments to the current plan. Under any circumstances, the Navy should sustain the service life extension program concept as the primary aircraft carrier modernization initiative.

CG-47 Aegis cruisers.—The Committee recommends an allowance of $2,939,500,000, which is a reduction of $210,500,000 from the budget request. Savings are accrued from lower Government-furnished equipment costs as recommended in the revised budget and bill language transfers $57,000,000 from fiscal year 1984 program savings. Included within the allowance is $20,900,000 for MK-45 gun multiyear procurement, which is $3,500,000 below the budget estimate, reflecting actual contract savings.

The Committee supports the Navy's proposed plan to establish a second source for the SPY-1D radar system production and expects such contracts to be awarded competitively.

MCM mine countermeasures ships.—The Committee recommends an appropriation of $349,500,000 for the construction of four MCM mine countermeasures ships to replace aging MSO minesweepers.

The Committee is concerned about the declining defense industrial mobilization base in the United States and believes that all steps should be taken to reverse this decline. In this context, the Committee directs the Navy to develop a plan that, to the maximum extent possible, brings domestic engine producers into the development and production of low-magnetic signature diesel engines for the MCM and MSH ship classes. The Committee further directs that this plan be developed and submitted to the Committee for review no later than March 1, 1985.

TAO fleet oiler.—The Committee recommends $537,600,000 for the construction of three TAO fleet oilers. This reflects a $25,000,000 savings from projected lower Government-furnished equipment costs.

Other proposals advocate the establishment of a second source for TAO construction. The Committee is supportive of any competitive arrangement which will yield cost savings. Therefore, source selection considerations and contract methodology must continue to emphasize price to assure the lowest cost to the Government.

TACS crane ships.—An allowance of $36,000,000 funds conversion of a C–6 *Keystone State* class vessel to a TACS crane ship configuration, a reduction of $8,000,000 from the budget estimate. Based on revised estimates, the budgeted level of $44,000,000 is inadequate to fund the conversion of two ships. The budget request failed to include upgrade costs and improperly budgeted seashed costs in the other procurement account, thereby incrementally funding the conversion. The recommended funding level covers the current estimate for conversion, upgrade, and support equipment costs for one ship with a corresponding reduction of $18,500,000 in the other procurement account.

If savings are identified from within the recommended allowance to pursue an additional ship conversion, the Navy should seek the Committee's prior approval, and the proposal must be in compliance with the full funding policy.

TAVB support ship.—The Committee recommends $26,600,000, a budget reduction of $16,200,000, to convert one roll-on/roll-off vessel to a TAVB aviation logistics support ship configuration. The allowance is based on actual contract prices for shipyard conversion costs and denies $5,200,000 requested for advance procurement material. The Committee sees no urgency in procuring air-conditioners, fans, sewage pumps, and battery chargers in advance of the fiscal year 1986 ship conversion.

Service craft.—A reduction of $26,500,000 for a revised allowance of $54,700,000 is recommended for service craft. This reflects the deletion of six YTB harbor tugs as the Navy has elected to lease commercial services in lieu of procurement.

ARTB nuclear reactor training ship.—A $30,000,000 increase is recommended for advance procurement material to convert an inactive nuclear submarine to a training platform for nuclear propulsion plant operators. The converted ship will replace the aging *Nautilus* reactor prototype currently in use for nuclear crew training. The $223,000,000 cost estimate for conversion is roughly one-fourth the expense to replace the current land-level facility through a military construction project. The Navy is expected to request the funding balance for the ship conversion in a future budget.

MK 92 fire control system upgrade.—The Committee recommends bill language which prohibits the obligation of funds to develop or install a MK 92 phase III fire control system and X-band phased array radar.

The provision would have the effect of repealing language contained in the fiscal year 1984 Defense Appropriation Act which requires the construction of one FFG-7 class frigate with the MK 92 phase III upgrade. The Secretary of the Navy should establish ship specifications and proceed with the construction of the frigate with $340,000,000 made available in the Fiscal Year 1984 Appropriations Act.

In late March, the Secretary of the Navy advised the Committee that the best available bid prices for a frigate configured with the MK 92 phase III upgrade were at least $130,000,000 in excess of the amounts appropriated. Alternatively, the Secretary proposed an acceleration of the FFG-7 class antiair warfare improvement program through the introduction of engagement system and detection system modifications. Concurrently, the establishment of a second source for the Aegis SPY-1B/D radar system was proposed by the Secretary to improve competition. In recommending bill language, the Committee concurs in the alternatives in accordance with the current Navy plan.

Other authorized reductions.—Recommended reductions by deleting funds for conversion of a TAK cargo ship, one TAGOS surtass ship, potential cost growth, and adjustments to the Trident submarine allowance conform to authorization adjustments.

OTHER PROCUREMENT, NAVY

1984 appropriation	$4,308,543,000
1985 budget estimate	5,953,900,000
Committee recommendation	5,533,376,000

The Committee recommends an appropriation of $5,533,376,000, a decrease of $420,524,000 below the President's budget request, and $30,476,000 above the revised budget request.

This appropriation finances the procurement of major equipment and weapons other than ships, aircraft, missiles, torpedoes, and guns. Equipments range from the latest electronic sensors for updating of naval forces to trucks, training equipment, and spare parts.

PROGRAM RECOMMENDED

The Committee recommendation and budget estimate are displayed below:

[In thousands of dollars]

Program	Budget request	Committee recommendation	Change from budget
Ship support equipment	857,100	784,097	-73,003
Communications and electronics equipment	1,813,800	1,743,800	-70,000
Aviation support equipment	1,081,500	1,110,779	+29,279
Ordnance support equipment	1,229,600	1,175,300	-54,300
Civil engineering support equipment	313,300	249,300	-64,000
Supply support equipment	130,100	113,600	-16,500
Personnel/command support equipment	528,500	407,500	-121,000
Trident facilities (Kings Bay/Bangor)		-50,000	-50,000
Contract spt svc		-1,000	-1,000

COMMITTEE RECOMMENDED ADJUSTMENTS

Discussion of the Committee adjustments to budgeted program amounts authorized by the Senate follows:

SHIP SUPPORT EQUIPMENT

Torpedo retriever boats.—The Committee recommends deletion of $10,303,000 requested for construction of TWR torpedo retriever boats. The Navy request for four 120-foot boats to be assigned to test ranges is not supported by any validated need. There are 34 smaller torpedo retriever boats in the inventory. It has not been clearly demonstrated that additional boats are required or if perceived needs cannot otherwise be accommodated through more extensive use of existing helicopters, range tenders, or commercial vessels.

Sealift support equipment.—In accordance with congressional instruction, the Navy budgeted shipbuilding funds for conversion of TACS crane ships. However, the budget request includes $18,500,000 in this account for seashed procurements to be installed on the TACS crane ships. Clearly, this incremental funding for a ship conversion is a budgeting oversight which is corrected by the recommended transfer of funds to the shipbuilding account and deletion of other procurement funds requested.

Other reductions.—Specific program reductions displayed in the tables to accompany this section are recommended in lieu of general undistributed decreases assumed by authorization. An aggregate decrease of $29,200,000 reflects repricing of estimates and requirements for LM 2500 engines, generators, pumps, propellers, periscopes, batteries, ESGN, and surface ship equipment.

COMMUNICATIONS AND ELECTRONICS EQUIPMENT

AN/SQR-17 acoustic processor.—The Committee recommends the funding of the full $8,928,000 requested for AN/SQR-17 processor modifications. However, the possibility of a break-in production between the 1985 and 1986 programs is a matter of concern. The Navy is encouraged to reprogram sufficient funds to avoid this situation.

AVIATION SUPPORT EQUIPMENT

Air launched ordnance.—The Committee recommends a number of adjustments to the air launched ordnance program based on the GAO's review of the 1985 request. The following reductions are related to pricing changes to the budget program: $3,000,000 from general purpose bombs; $10,000,000 from machine gun ammunition; $5,900,000 from practice bombs; and $2,900,000 from JATOS. An additional amount of $3,300,000 is provided for airborne expendable countermeasures due to understated unit cost.

Ammunition readiness.—The Committee recommends $50,000,000 over the budget for a total of $373,052,000 for sonobuoys and an additional $17,500,000 for general purpose bombs. These items are added to enhance fleet readiness. The additional sonobuoy funds may be distributed by the Navy to best meet requirements.

ORDNANCE SUPPORT EQUIPMENT

Ammunition readiness.—The Committee recomemnds an unauthorized addition of $32,500,000 above budget for additional munitions items as follows:

Item	*Millions*
CIWS ammo	$12.5
Other ship gun ammo	10.0
Small arms	10.0
Total	32.5

CIVIL ENGINEERING SUPPORT EQUIPMENT

General reduction.—The Committee recommends a $49,000,000 general reduction to the Navy's $313,300,000 request for civil engineering support in agreement with the May budget revision.

SUPPLY SUPPORT EQUIPMENT

Special purpose supply systems.—The Committee recommends a reduction of $16,500,000, the details of which are discussed in the classified annex.

PERSONNEL AND COMMAND SUPPORT EQUIPMENT

Oceanographic ships.—The Committee recommends that a minimum of $10,000,000 of funds appropriated for other procurement items in the Navy be used to modernize equipment on board naval oceanographic ships.

Underwater security systems.—The Committee recommends an increase of $6,000,000 for procurement and installation of electronic underwater security systems to ensure the protection of critical naval facilities. An increase of $2,000,000 is included in the research and development section of this report for development of digital electronic underwater security systems. The demonstration projects should be conducted at the naval submarine bases at Bangor, Wash., Kings Bay, Ga., and at the Norfolk Naval Shipyard. These priority locations have been selected in view of the strategic importance of the Trident and ballistic missile submarine programs.

Authorization changes.—The Committee recommends the following adjustments in accordance with the Senate-passed authorization bill (S. 2723):

[In thousands of dollars]

Program	Fiscal year 1985 budget request	Committee recommendation	Recommendation compared to budget
Ship support equipment, general reduction		-15,000	-15,000
Communications—Electronics, general reduction		-70,000	-70,000
Bigeye chemical weapon	19,712		-19,712
Ord spt equip, general reduction		-86,800	-86,800
Amphibious equip	87,087	72,087	-15,000
Intelligence support equipment	47,792	44,892	-2,900
Computer acquisition program	242,679	208,579	-34,100
Personnal/comm spt equipment, general reduction		-90,000	-90,000
Trident facility		-50,000	-50,000

PROCUREMENT, MARINE CORPS

1984 appropriation	$1,741,306,000
1985 budget estimate	1,978,581,000
Committee recommendation	1,860,796,000

The Committee recommends an appropriation of $1,860,796,000, a decrease of $119,490,000 below the President's budget, and $117,785,000 below the revised budget.

This appropriation provides the Marine Corps with funds for the procurement, delivery, and modification of missiles, armament, ammunition, communication equipment, tracked and wheeled vehicles, and various support equipment.

Committee recommendations, summarized by budget activity, will provide the following program for fiscal year 1985:

[In thousands of dollars]

Program	Budget request	Committee recommendation	Change from budget
Ammunition	460,520	450,720	-9,800
Weapons and combat vehicles	467,360	411,197	-56,163
Guided missiles	283,227	265,227	-18,000
Communications and electronics	295,898	286,181	-9,717
Support vehicles	273,987	264,487	-9,500
Engineering and other equipment	197,589	183,089	-14,500
General reduction (rounding)		-105	-105

COMMITTEE RECOMMENDED ADJUSTMENTS

Discussion of the Committee adjustments to budgeted program amounts authorized by the Senate follows:

Mortar ammunition.—The Committee defers the $9,400,000 requested for ammunition for the 81mm mortar which will not be procured until next year.

Copperhead.—The Committee recommends the addition of $12,500,000 to initiate the Marine Corps Copperhead program. However, these funds may be obligated only if the unit cost, as part of the Army program, does not exceed $30,000.

Guided missiles.—The Committee recommends a reduction of $10,100,000 in the amount requested for the Stinger air defense missile and a reduction of $7,900,000 requested for the TOW–II missile in agreement with the May budget revision.

Authorization changes.—The Committee recommends the following adjustments in accordance with the Senate-passed authorization bill (S. 2723):

[In thousands of dollars]

Program	Fiscal year 1985 budget request	Committee recommendation	Recommendation compared to budget
Small arms ammunition	12,646	12,246	- 400
8-inch ammo	19,344	6,844	- 12,500
LTV7 SLEP	115,940	96,940	- 19,000
Light armor vehicle (LAV–25)	274,816	242,816	- 32,000
9mm handgun	3,163		- 3,163
M16A2 rifle	13,992	11,992	- 2,000
Manpack radios	5,043	943	- 4,100
Signal generator, USM–323	1,017		- 1,017
Mod univ laser equipment (MULE)	39,620	38,020	- 1,600
Modification kits (non-tel)	12,153	9,153	- 3,000
Commercial cargo vehicles	22,468	17,968	- 4,500
5-ton retrofit	17,210	12,210	- 5,000
Water purification unit	15,713	7,913	- 7,800
Power equipment	20,348	15,348	- 5,000
Mobile engineer equipment	9,211	7,511	- 1,700

AIRCRAFT PROCUREMENT, AIR FORCE

1984 appropriation	$21,403,210,000
1985 budget estimate	28,676,500,000
Committee recommendation	26,376,700,000

The Committee recommends an appropriation of $26,376,700,000, a decrease of $2,299,800,000 below the President's budget, and $14,100,000 below the revised budget.

This appropriation finances the construction, procurement, modernization, and modification of aircraft and equipment, including armor and armament, specialized ground-handling equipment, and flight training simulators, spare parts, and accessories; specialized equipment; and expansion of public and private plants, Government-owned equipment, and installation.

PROGRAM RECOMMENDED

The following comparative table displays the Committee's recommendations by major activity with the budget estimate:

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
AIRCRAFT PROCUREMENT, AIR FORCE						
COMBAT AIRCRAFT						
STRATEGIC OFFENSIVE						
B-1B (MYP)	34	5,558,200	34	5,558,200	--	---
B-1B (MYP) (AP-CY)	--	1,544,400	--	1,544,400	--	---
TACTICAL FORCES						
F-15 C/D	48	1,843,400	42	1,807,500	-6	-35,900
F-15 C/D (AP-CY)	--	209,500	--	176,400	--	-33,100
F-16 C/D (MYP)	150	2,960,800	150	2,473,300	--	-487,500
F-16 C/D (MYP) (AP-CY)	--	787,200	--	586,800	--	-200,400
TACTICAL FIGHTER DERIVATIVE ACFT	--	26,600	--	---	--	-26,600
OTHER COMBAT AIRCRAFT						
KC-10A (ATCA) (MYP)	8	243,000	8	190,700	--	-52,300
KC-10A (ATCA) (MYP) (AP-CY)	--	404,000	--	375,300	--	-28,700
MC-130H	2	82,400	2	82,400	--	---
MC-130H (AP-CY)	--	10,300	--	10,300	--	---
E-3A	--	---	--	---	--	---
TOTAL, COMBAT AIRCRAFT		13,669,800		12,805,300		-864,500
AIRLIFT/TANKER AIRCRAFT						
STRATEGIC AIRLIFT						
C-5B	10	1,772,200	8	1,452,600	-2	-319,600
C-5B (AP-CY)	--	327,200	--	304,100	--	-23,100
TACTICAL AIRLIFT						
C-130H	--	---	10	179,000	+10	+179,000
TRANSFER		---		---		---
EUROPEAN DISTRIBUTION SYSTEM ACFT	--	---	--	---	--	---
OTHER AIRLIFT						
C-12D	--	---	--	---	--	---
C-20A	3	55,100	3	55,100	--	---
FLIGHT INSPECTION AIRCRAFT		---		---		---
TOTAL, AIRLIFT/TANKER AIRCRAFT		2,154,500		1,990,800		-163,700
TRAINER AIRCRAFT						
UPT TRAINERS						
T-46A (NGT)	10	104,400	10	104,400	--	---
T-46A (NGT) (AP-CY)	--	22,300	--	22,300	--	---
TOTAL, TRAINER AIRCRAFT		126,700		126,700		---
OTHER AIRCRAFT						
HELICOPTERS						
HH-60D/E (AP-CY)	--	22,500	--	6,000	--	-16,500
MISSION SUPPORT AIRCRAFT						
RANGE CONTROL AIRCRAFT	2	16,400	2	16,400	--	---
TR-1/U-2	4	210,600	4	158,200	--	-52,400
TR-1/U-2 (AP-CY)	--	---	--	---	--	---
TOTAL, OTHER AIRCRAFT		249,500		180,600		-68,900

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
MODIFICATION OF IN-SERVICE AIRCRAFT						
STRATEGIC AIRCRAFT						
B-52	--	574,200	--	527,100	--	-47,100
TACTICAL AIRCRAFT						
A-7	--	36,600	--	36,600	--	---
A-7D FLIR	--	---	--	42,000	--	+42,000
A-10	--	84,600	--	61,900	--	-22,700
F/RF-4	--	213,800	--	250,800	--	+37,000
F-5	--	3,900	--	3,900	--	---
F-15	--	130,100	--	130,100	--	---
F-16	--	77,200	--	60,200	--	-17,000
F-111	--	206,500	--	206,500	--	---
TR-1A	--	24,000	--	24,000	--	---
T/AT-37	--	---	--	---	--	---
UNDISTRIBUTED REDUCTION	--	---	--	---	--	---
AIRLIFT AIRCRAFT						
C-5	--	3,100	--	3,100	--	---
C-141	--	14,900	--	14,900	--	---
C-131	--	---	2	8,000	+2	+8,000
TRAINER AIRCRAFT						
T-38	--	10,200	--	10,200	--	---
OTHER AIRCRAFT						
C-12	--	1,300	--	1,300	--	---
C-130	--	242,200	--	242,200	--	---
C-135	--	1,055,100	--	737,100	--	-318,000
C-135 (PRIOR YEAR TRANSFER)		---		---		---
E-3	--	82,600	--	82,600	--	---
E-3A RADAR MODS		---		---		---
E-4	--	5,100	--	5,100	--	---
HH-53 AIRCRAFT	--	2,600	--	2,600	--	---
OTHER AIRCRAFT	--	134,600	--	134,600	--	---
OTHER MODIFICATIONS						
CLASSIFIED PROJECTS	--	169,500	--	169,500	--	---
UNDISTRIBUTED REDUCTION	--	---	--	---	--	---
SPECIAL SUPPORT PROJECTS	--	181,100	--	181,100	--	---
CIVIL RESERVE AIRLIFT FLEET (CRAF)	--	128,900	--	128,900	--	---
CIVIL RESERVE AIRLIFT FLEET (CRAF) (TRANSFER)		---		---		---
TOTAL, MODIFICATION OF IN-SERVICE AIRCRAFT		3,382,100		3,064,300		-317,800
SPARES AND REPAIR PARTS	--	5,990,200	--	5,475,900	--	-514,300
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES						
COMMON GROUND EQUIPMENT	--	703,900	--	647,100	--	-56,800
INDUSTRIAL RESPONSIVENESS	--	78,500	--	78,500	--	---
WAR CONSUMABLES	--	235,400	--	163,400	--	-72,000
OTHER PRODUCTION CHARGES	--	2,085,900	--	1,966,100	--	-119,800
NATO AEW/C	--	---	--	---	--	---
TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES		3,103,700		2,855,100		-248,600

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
UNDISTRIBUTED REDUCTION..............................		---		---		---
REDUCTION, PY TRANSFER..............................		---		-111,000		-111,000
PRIOR YEAR TRANSFER..............................		---		(111,000)		(+111,000)
REVISED ECONOMIC ASSUMPTIONS..........................		---		---		---
ENVIRONMENTAL FUND TRANSFER..........................	--	---	--	-11,000	--	-11,000
TOTAL, AIRCRAFT PROCUREMENT, AIR FORCE..............		28,676,500		26,376,700		-2,299,800
TRANSFER FROM OTHER ACCOUNTS......................		---		(111,000)		(+111,000)
TOTAL FUNDING AVAILABLE..........................		28,676,500		26,487,700		-2,188,800

COMMITTEE RECOMMENDED ADJUSTMENTS

Discussion of the Committee adjustments to budgeted program amounts authorized by the Senate follows:

B-1 bomber.—The B-1B is the improved multirole bomber to perform both strategic and tactical missions. It is to replace aging B-52's in the strategic mission, freeing those aircraft and FB-111's for tactical assignments. The Committee recommends the full $7,100,000,000 requested for 34 B-1B's in 1985 and advance procurement for 48 in 1986. This fully maintains the multiyear procurement schedule for 100 aircraft under which the Air Force has pledged to hold total program costs to $20,500,000,000 in fiscal year 1981 dollars.

Because of the B-1B program's favorable cost and schedule performance, and in light of the benefits expected to be gained in the fiscal year 1985 multiyear contract award, the Committee anticipates the Air Force will be able to develop substantial program savings. The Committee has recommended the full procurement budget estimate to protect those savings. It is unlikely the scope of the savings will be fully identified prior to the fiscal year 1986 budget submission. In that event, the Committee will expect the Department to submit a budget amendment in the spring proposing reductions to reflect those program savings. Such savings should not be considered a source for financing other programs.

F-15C/D.—The F-15 is a twin engine, all weather, high performance air superiority fighter. It has recently been selected as the dual role fighter to augment the F-111 in the deep strike and interdiction mission.

The Committee recommends $1,807,500,000, $10,000,000 less than authorized, for production of 42 aircraft in 1985. This represents a reduction of $35,900,000 and six aircraft below the budget request. This reduction consists of the following program adjustments:

−$154,200,000 for a reduction from 48 to 42 aircraft;

+$123,800,000 in additional funds to support results of fighter engine competition (partially offset by reduction in F-16 program);

+$37,500,000 for nonrecurring costs associated with the introduction of the F-15 as the dual role fighter; and

−$43,000,000 in savings on the engine warranties.

A reduction of $33,100,000 below the request for advance procurement is recommended for a 1986 procurement of 42 F-15's, 6 more than the level approved by Congress last year as the continuing production rate. This includes an increase of $31,200,000 to support the alternate fighter engine decision and $3,700,000 for the first of the dual role fighters which will be produced in 1986.

The Committee notes that a portion of the future F-15 buy is purportedly to support the 40 tactical fighter wing force. The Committee supports the F-15 and other aircraft procurement to modernize the existing force and not necessarily a long-term force structure goal.

F–16C/D.—The F–16 is a single-seat high performance multipurpose aircraft powered by a single engine and designed for clear air, within visual range fighter missions and for the delivery of ordnance against surface targets. This aircraft is manufactured and deployed under a cooperative agreement between the United States and several NATO allies to insure interoperability and to reduce overall program costs.

The Committee recommends $2,473,300,000 for 150 F–16C/D's. This is a reduction of $487,500,000 below the budget but fully funds the requested 1985 production rate. Reductions include a savings of $319,400,000 as a result of the favorable prices achieved on the alternate fighter engine competition; $105,000,000 for peculiar ground support equipment not required as a result of the engine competition; and $67,000,000 from the deferral of the multiple stores ejector rack and the application of fiscal year 1984 program savings.

The Committee recommends $586,800,000 for F–16 advance procurement. This provides an additional $27,700,000 for increased engine leadtimes associated with the engine competition, and decreases of $128,700,000 based on reestimated airframe production leadtimes; $80,900,000 in multiyear contract advance funding because of a reduction from 216 to 180 aircraft in out-year production initiated in the budget revision; and $18,500,000 in multiyear procurement advance funding for the tactical fighter simulator. In disapproving the simulator multiyear contract, the Committee notes that the negotiated unit cost for the 1984 contract when inflated to 1985 dollars is less than the proposed multiyear contract. Furthermore, the projected annual prices are 30 percent higher than the 1984 costs, calling into question the reasonableness of the estimated savings.

The Committee recommends approval of the core multiyear program of 720 F–16's at a rate of 180 per year as the program with the most savings for the least cost but which allows the flexibility to increase production as affordable. The Committee directs that the multiyear contract include prenegotiated options for any additional budgeted aircraft purchase and that the average unit cost of these additional aircraft should not exceed the basic aircraft cost.

An additional $3,900,000 is recommended for six AN/APG–68 radars as replacement for six AN/APG–66 radars to be provided to the Customs Service drug interdiction program.

C–5B.—The C–5B is the primary intertheater airlifter of outsized military equipment and cargo. Procurement is continuing as part of a series of fixed price contracts for a buy of 50 aircraft through 1987.

The Committee recommends $1,452,600,000 for 8 aircraft, a reduction of 2 from the budget, along with the budgeted $304,100,000 in advance procurement for 14 aircraft in 1986. The 1986 program is also a deferral of two aircraft, in agreement with the budget revisions. The recommendation includes a deferral of $25,000,000 below the authorization level from deferral of one simulator in 1985 to match aircraft deliveries.

Range instrumentation aircraft.—The Committee has included $16,400,000, the budget estimate, for procurement of two range instrumentation aircraft. Although not included in the Senate authorization bill, the Committee understands the pending conference agreement was to recognize the need for these aircraft in the Gulf range.

C-130H tactical transport.—The C-130H is the primary tactical intratheater transport aircraft. It is heavily deployed throughtout the Air Force Reserve and Air National Guard. In the current inventory there are a large number of aging C-130A's which are increasingly in need of replacement.

The Committee recommends a $179,000,000 increase in the budget for procurement of 10 additional C-130H transport aircraft for the reserve components. Two additional C-130H aircraft also included in the Senate authorization for the active force have not been funded. The Air Force should budget for its needs in this area.

Civil Air Patrol.—Pursuant to authorizing legislation, the Committee directs that $3,000,000 be allocated by the Air Force for the furnishing of major items of equipment to the Civil Air Patrol. The Committee fully supports this needed assistance, together with other services authorized in support of the volunteer CAP organization.

B-52 internal ALCM carrier.—A reduction of $47,100,000 is recommended to the request for B-52 cruise missile carrier and defensive five control system modifications. This conforms to authorizations.

A-10 modifications.—The Committee recommends a reduction of $22,700,000 for A-10 aircraft modifications. Stability augmentation alterations have been financed with prior year funds and armament system water intrusion problems appear to have been corrected by maintenance actions. Late award of the engine monitoring system contract will reduce the number of modification kits to be procured in fiscal year 1985.

F-16 AMRAAM system.—Delivery delay for AMRAAM missiles diminishes the immediate need for aircraft alterations which permits a reduction of $17,000,000. The allowance of $11,900,000 will cover startup costs and trial modifications.

A-7D FLIR.—An increase of $42,000,000 is recommended to procure forward looking infrared equipment for a squadron of 26 Air National Guard A-7D aircraft. The allowance equates to current estimates for aircraft modifications and spares.

KC-135 reengining.—The Committee recommends an allowance of $615,900,000 for the procurement of an authorized 43 CFM-56 engines and modification materials to reengine the active force KC-135 tanker aircraft. The allowance is $318,000,000 and 10 engine kits below the budget request. The reduced quantity priced at the current bid values yields $228,700,000 savings from the budget. A further reduction of $89,300,000 results from the application of savings from negotiated unit prices for 24 authorized engine kits in fiscal year 1984 and a realignment of airframe contract obligations to match the total authorized 67 aircraft modifications for fiscal years 1984 and 1985.

F/RF-4 modifications.—The Committee recommends a total of $250,800,000 for F/RF–4 modifications, an increase of $37,000,000 over the budget and authorization. The allowance provides $21,000,000 to complete equipping all Air Guard and Air Reserve F–4D/E's with an off-boresight capability for the AIM–9L/M air-to-air missile capability now being added to the fleet. It also provides $18,000,000 to complete installation of the smokeless engine modification for all Guard and Reserve combat coded F–4D/E's. The Air Force is directed to provide any additional funding needed to complete these two modifications for the Guard and Reserve fleet.

The Committee has deferred $2,000,000 budgeted for fuel guage modifications.

C–131 modifications.—The C–131 is one of the operational support aircraft assigned to the Air National Guard. These aircraft are approaching 30 years of age and the engines are becoming unreliable and difficult to support.

The Committee recommends $8,000,000 for a limited test program to retrofit 2 C–131's with T–56 turboprop engines, radar, and improved instrumentation and avionics. The purpose of this test is to determine the cost effectiveness and benefit of providing operational support airlift with modified C–131's in lieu of newer aircraft. The Department of Defense is directed to provide, along with the requested statement of requirements and master plan for upgrading the National Guard support aircraft fleet, a cost-effectiveness analysis by the CAIG supporting the recommended and budgeted program.

Aircraft spares.—The Committee recommends $5,475,900,000, the amount proposed in the revised budget for spares and repair parts. This is a reduction of $514,300,000 below the original request distributed as follows:

Initial spares:	
B–1	–$50,000,000
C–5	–18,000,000
F–15	–42,000,000
F–16	–122,000,000
C–135 (CFM–56)	–6,700,000
PLSS	–17,500,000
Replenishment spares:	
F–4E	–5,000,000
T–39	–4,500,000
Flying hour reduction	–32,000,000
Peacetime operating stocks	–216,600,000

These reductions for initial spares parallel programmatic adjustments. The F–4E replenishment spares adjustment reflects the transfer of one active duty squadron to the Reserves and the associated lower flying hour requirement. The T–39's are being phased out of service over the next 2 years. The Air Force also reduced its projected 1987 flying hour program by 20,000 hours, reducing the spares requirement by $32,000,000. The balance is a reduction to peacetime operating stocks.

The Committee commends Air Force efforts to reduce costs in spares acquisition. The documented 1984 savings are $234,000,000. Furthermore, through careful management, the Air Force feels the full 1984 program can be funded within the available funds to include the $650,000,000 requirement carried forward and budgeted in the 1985 request.

The Air Force estimates some $250,000,000 in savings also will acrue as the 1985 program is executed. This would produce a total surplus of $900,000,000 of which some $515,000,000 has been given up in the May revision.

The Committee conservatively estimates these reductions will not in fact impair readiness and that its policy on putting savings into war reserves will provide $400,000,000 toward filling the $2,000,000,000 unfunded war reserve spare parts requirement.

Other production charges.—The Committee recommends a reduction of $119,800,000. This includes $19,600,000 in initial production funds for the Precision Location Strike System as proposed in the revised budget, and $100,200,000 that is deferred in agreement with authorization legislation for initial production funding of the LANTIRN system. The Committee directs that no funds be obligated for procurement of the targeting pod before it successfully completes its developmental testing and has been approved for production.

General reduction.—The Committee recommends transferring the $99,000,000 of prior-year savings from spares procurement identified in the May budget revision in addition to the $12,000,000 in remaining 1984 E–3A advance procurement funds as an offset to a recommended general reduction of $111,000,000 in new budget authority. The balance of $64,200,000 in E–3A funding was applied within the 1984 program for the procurement of 32 additional B–707 aircraft in accordance with the 1984 supplemental appropriation (Public Law 98–396).

Environmental fund transfer.—The Committee has deleted $15,000,000 budgeted for environmental restoration. These funds have been consolidated in a separate account as discussed in the operation and maintenance section of the report.

Authorization changes.—The Committee recommends the following adjustments in accordance with the Senate-passed authorization bill (S. 2723):

[In thousands of dollars]

Program	Fiscal year 1985 budget request	Committee recommendation	Recommendation compared to budget
Tactical fighter derivative	26,600		-26,600
KC–10A	647,000	566,000	-81,000
HH–60D/E	22,500	6,000	-16,500
TR–1/U–2	210,600	158,200	-52,400
C135	1,055,100	869,100	-186,000
Common ground equip	703,900	647,100	-56,800
War consumables	235,400	163,400	-72,000

MISSILE PROCUREMENT, AIR FORCE

1984 appropriation	$7,802,838,000
1985 budget estimate	9,820,600,000
Committee recommendation	8,581,862,000

The Committee recommends an appropriation of $8,581,862,000. This is $1,238,738,000 below the President's budget request, and $813,738,000 below the revised budget.

This appropriation finances the construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories, ground-handling equipment, and training devices; and expansion of public and private plants, Government-owned equipment, and installation.

PROGRAM RECOMMENDED

Recommended allowances are tabulated by major activity and compared to the budget estimate in the following table:

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
MISSILE PROCUREMENT, AIR FORCE						
BALLISTIC MISSILES						
PEACEKEEPER (M-X)	40	2,938,900	21	2,352,000	-19	-586,900
ICBM C3 INTEGRATION	--	---	--	---	--	---
TOTAL, BALLISTIC MISSILES		2,938,900		2,352,000		-586,900
OTHER MISSILES						
STRATEGIC						
AIR LAUNCH CRUISE MISSILE	--	74,049	--	74,049	--	---
AIR LAUNCH CRUISE MISSILE (TRANSFER)		---		---		---
AIR LAUNCH CRUISE MISSILE (AP-CY)	--	---	--	---	--	---
TACTICAL						
AIM-7F/M SPARROW	--	---	525	100,000	+525	+100,000
AIM-9L/M SIDEWINDER	--	---	--	---	--	---
AGM-65D MAVERICK	4,500	565,239	2,600	359,639	-1,900	-205,600
AGM-650 MAVERICK (AP-CY)	--	---	--	15,000	--	+15,000
HARPOON	85	40,342	85	40,342	--	---
AGM-88A HARM	871	326,284	871	296,284	--	-30,000
AGM-88A HARM (TRANSFER)		---		---		---
RAPIER	--	7,561	--	7,561	--	---
AMRAAM	174	348,135	20	73,135	-154	-275,000
AMRAAM (AP-CY)	--	64,900	--	---	--	-64,900
GRD LAUNCH CRUISE MISSILE	120	557,226	120	557,226	--	---
GRD LAUNCH CRUISE MISSILE (AP-CY)	--	13,900	--	11,900	--	-2,000
NATO AIR & AIR BASE DEFENSE	--	---	--	---	--	---
STINGER	156	12,852	156	12,852	--	---
TARGET DRONES						
TARGET DRONES	--	37,540	--	37,540	--	---
TACTICAL DRONES						
TACTICAL DRONES	--	38,872	--	38,872	--	---
TOTAL, OTHER MISSILES		2,086,900		1,624,400		-462,500
MODIFICATION OF IN-SERVICE MISSILES						
CLASS IV						
CLASS IV	--	121,399	--	121,399	--	---
CLASS V						
LGM-30F/G MINUTEMAN II/III	--	---	--	---	--	---
UPDATED ALCM	--	5,726	--	5,726	—	---
UPDATE						
AIM-7F/M SPARROW	--	---	--	---	--	---
UPDATED ALCM	—	8,349	--	8,349	--	---
GRD LAUNCH CRUISE MISSILE UPDATE	--	26,826	--	26,826	--	---
TOTAL, MODIFICATION OF IN-SERVICE MISSILES		162,300		162,300		---
MISSILE SPARES + REPAIR PARTS						
SPARES AND REPAIR PARTS	--	639,800	--	615,300	--	-24,500
OTHER SUPPORT						
SPACE PROGRAMS						
SPACEBORNE EQUIP (COMSEC)	--	32,739	--	32,739	--	---
GLOBAL POSITIONING (MYP)	6	149,278	6	149,278	--	---
GLOBAL POSITIONING (MYP) (AP-CY)	--	183,000	--	183,000	--	---
SPACE LAUNCH SUPPORT (MYP)	--	108,939	—	108,939	--	---

[In thousands of dollars]

	1985 quantity	1985 budget estimate	Quantity	Committee recommended	Quantity	Change from budget
SPACE LAUNCH SUPPORT (MYP) (AP-CY)	--	99,100	--	80,100	--	-19,000
SATELLITE DATA SYSTEM	--	---	--	---	--	---
DEF METEOROLOGICAL SAT PROG (MYP)	2	139,909	2	139,909	--	---
DEFENSE SUPPORT PROGRAM	--	48,850	--	48,850	--	---
DEFENSE SATELLITE COMM SYSTEM (MYP)	2	201,038	2	198,800	--	-2,238
DEFENSE SATELLITE COMM SYSTEM (MYP) (AP-CY)	--	90,200	--	52,400	--	-37,800
AF SATELLITE COMM SYSTEM	--	---	--	---	--	---
SPACE DEFENSE SYSTEM	--	65,197	--	65,197	--	---
SPACE DEFENSE SYSTEM (AP-CY)	--	17,800	--	17,800	--	---
SPACE BOOSTERS	--	25,310	--	25,310	--	---
SPACE SHUTTLE	--	137,872	--	137,872	--	---
INDUSTRIAL FACILITIES						
INDUSTRIAL FACILITIES	--	31,400	--	29,400	--	-2,000
SPECIAL PROGRAMS						
OTHER PROGRAMS	--	159,956	--	110,056	--	-49,900
FOREST GREEN	--	4,315	--	4,315	--	---
IONDS (MYP)	--	43,775	--	43,775	--	---
SPECIAL PROGRAMS	--	1,636,575	--	1,595,875	--	-40,700
SPECIAL UPDATE PROGRAMS	--	656,709	--	656,709	--	---
SPECIAL SUPPORT PROGRAMS	--	160,738	--	160,738	--	---
TOTAL, OTHER SUPPORT		3,992,700		3,841,062		-151,638
REDUCTION, PY TRANSFER		---		---		$---
PRIOR YEAR TRANSFER		---		---		---
REVISED ECONOMIC ASSUMPTIONS		---		---		---
GENERAL REDUCTION		---		---		---
ENVIRONMENTAL FUND TRANSFER	--	---	--	-13,200	--	-13,200
TOTAL, MISSILE PROCUREMENT, AIR FORCE		9,820,600		8,581,862		-1,238,738
TRANSFER FROM OTHER ACCOUNTS		---		---		---
TOTAL FUNDING AVAILABLE		9,820,600		8,581,862		-1,238,738

COMMITTEE RECOMMENDED ADJUSTMENTS

Discussion of the Committee adjustments to budgeted program amounts authorized by the Senate follows:

Peacekeeper (MX).—The Committee recommends an appropriation of $2,352,000,000, the amount of the pending authorization conference agreement and a $586,900,000 reduction in the budget estimate, for continued production of the Peacekeeper strategic missile system. This continues the current annual production rate of 21 missiles, instead of 40 as budgeted, and funds major facility and other initial investment requirements. Separately, $148,000,000 is recommended for MX spare parts.

Of the total $2,500,000,000 recommended for MX procurement, the Committee has adopted extensive bill language carefully designed to execute the leadership agreement on the disposition of appropriations for new missile production. The Committee provision, in consonance with provisions adopted by the conferees on the Defense authorization bill, permits the obligation of up to $1,000,000,000 for procurement related to deployment of previously funded MX missiles, for advance procurement of long-lead components, and for spare parts. However, the remaining $1,500,000,000, under the restrictive language, is not available as a supplement for procurement of 21 new missiles unless—

1. After March 1, 1985, the President reports to Congress on the requirements for, and the impact of, additional MX missile procurement as prescribed in section 110(e) of the pending Defense Authorization Act, and
2. A joint resolution approving the authorization of obligation of funds for the additional MX missiles is enacted, and
3. A joint resolution approving the obligation of the funds for the additional MX missiles is enacted.

The first joint resolution mentioned above will be referred to the Armed Services Committees. The second will be referred to the Appropriations Committees. Both are subject to fast track provisions designed to insure their speedy consideration by both Houses before next Easter. The expedited procedures are nearly identical to those contained in the Defense authorization conference agreement.

AIM-7F/M Sparrow missiles.—The Sparrow missiles have been the services' medium-range, air-to-air radar guided missile, which is to be replaced by the advanced medium range air-to-air missile (AMRAAM).

The May budget revision noted the delay in planned 1985 production of the AMRAAM and requested $130,000,000 for 600 Sparrows instead. The Committee recommends $100,000,000, a reduction of $30,000,000 in agreement with the anticipated authorization conference action.

AGM-88A missile (HARM).—The HARM is an air-to-surface antiradiation missile designed to destroy or suppress land and sea based radar equipment that direct air defenses. The HARM missile is compatible with various Navy and Air Force tactical aircraft.

The Committee recommends $296,284,000 for procurement of 871 missiles, the full quantity requested by the Air Force, a reduction of $30,000,000, based on anticipated contract savings.

AMRAAM.—The advanced medium-range air-to-air missile (AMRAAM) is a joint USAF/USN program replacement for the Sparrow missile. The Air Force revised its original budget request because of delays in the development program from production of 174 missiles to 20 missiles in 1985. A similar scaling down is projected for 1986. The Committee remains concerned about the concurrency in the development program and the need to establish a viable second source of production as rapidly as possible.

The Committee recommends production funding of $73,135,000 for 20 missiles in 1985 as authorized by the Senate but no advance procurement funding for the missiles in 1986 which can be covered out of the $29,400,000 in advance procurement funding provided last year for 174 missiles. This is a reduction of $64,900,000.

Ground launch cruise missile, advance procurement.—The Committee recommends a reduction of $2,000,000 and 25 missiles due to adjustments in scheduled deployments of the GLCM to Europe.

DSCS III program.—The Defense Satellite Communications System III is an updated version of the Department's current communications satellite. The multiyear contract will complete the program buy and provide critical national communications support through the 1990's.

The Committee funds the continuation of the multiyear production contract initiated last year and recommends a reduction of $40,000,000 as a result of negotiated contract savings. A total of $251,200,000 in 1985 funding is provided.

Missile industrial facilities.—A reduction of $2,000,000 is made in the request of $31,400,000 for industrial facilities in accordance with the revised budget request.

Other programs.—The Committee recommends $110,056,000, a reduction of $49,900,000, the details of which are discussed in the classified annex.

Special program.—The Committee recommends funding of $616,009,000, a reduction of $40,700,000 below the budget. Details are discussed in the classified annex.

Environmental fund transfer.—The Committee has deleted $13,200,000 budgeted for environmental restoration. These funds have been consolidated as discussed elsewhere.

Authorization changes.—The Committee recommends the following adjustments in accordance with the Senate-passed authorization bill (S. 2723):

[In thousands of dollars]

Program	Fiscal year 1985 budget request	Committee recommendation	Recommendation compared to budget
Maverick missile	565,239	359,639	- 205,600
Advance procurement		15,000	+ 15,000
AMRAAM missile	348,135	73,135	- 275,000
Missile spares	639,800	615,300	- 24,500
AMRAAM	(20,100)		(- 20,100)
Maverick	(32,500)	(28,100)	(- 4,400)
Space launch support	99,100	80,100	- 19,000

OTHER PROCUREMENT, AIR FORCE

1984 appropriation	$6,914,232,000
1985 budget estimate	9,561,500,000
Committee recommendation	9,149,020,000

The Committee recommends an appropriation of $9,149,020,000 for other procurement, Air Force. The recommendation is a decrease of $412,480,000 below the budget, and is $649,720,000 above the budget revision.

This appropriation provides for the procurement of weapons systems and equipment other than aircraft and missiles. Included are munitions, other weapons, vehicles, electronic and telecommunications systems for command and control of operational forces, and ground support equipment for weapons systems and supporting structure.

PROGRAM RECOMMENDED

The Committee recommendation will provide funding for the following program for fiscal year 1985:

[In thousands of dollars]

Program	Fiscal year 1985 budget request	Committee recommendation	Recommendation compared to budget
Munitions and associated equipment	1,424,576	1,433,847	+ 9,271
Vehicular equipment	441,598	376,298	- 65,300
Electronics and telecommunications equipment	2,692,730	2,439,163	- 253,567
Other base maintenance and support equipment	5,002,596	5,009,781	+ 7,185
General reduction		- 110,069	- 110,069

COMMITTEE RECOMMENDED ADJUSTMENTS

Discussion of the Committee adjustments to budgeted program amounts authorized by the Senate follows:

MUNITIONS AND ASSOCIATED EQUIPMENT

The Committee recommends $1,433,847,000 for munitions and associated equipment, increasing the budget estimate by $9,271,000 and the Senate authorization by $215,094,000 in an effort to address readiness shortfalls in the Air Force inventories. The recommendation includes a $19,800,000 reduction in advance procurement for the Bigeye chemical bomb, unbudgeted increases of $30,000,000 for a total of $157,300,000 for the GBU-15 (TV) bomb, and an unbudgeted increase of $5,800,000 for a total of $54,053,000 for the DURANDAL runway cratering munition. The addition for GBU-15's will achieve the maximum yearly procurement level 1 year early. A number of other minor adjustments have been made in accordance with the authorization legislation and are noted at the end of this section.

ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT

Intelligence data handling system.—The Committee recommends a reduction of $4,300,000 to the intelligence data handling program. Details are provided in the classified annex.

Over-the-horizon backscatter (OTH-B) radar.—The over-the-horizon backscatter radar will provide wide-area, long-range, all-altitude surveillance of coastal approachs to the continental United States. It will provide improved early warning of bomber and cruise missile attacks.

The Committee recommends $137,072,000 for the over-the-horizon radar, a reduction of $81,800,000 below the budget in agreement with the revised budget. This adjustment will defer procurement of the first sector of the three-sector west coast system. The remaining 1985 funds will complete the east coast system.

Automatic data processing equipment.—The Air Force requested over a 140-percent increase in its 1985 funding for general purpose ADP equipment. The Committee proposes a more modest rate of growth in agreement with the revised budget and recommends a reduction of $18,300,000. This reduction will defer procurement of a limited number of systems.

Consolidated Space Operations Center.—The Air Force requested $165,047,000 for communications equipment for the Consolidated Space Operations Center. Of that amount, the Committee recommends defering the $31,000,000 for establishment of the Shuttle Operations and Planning Center, one of the two main elements. This reduction will require the Defense Department to continue to rely on NASA's Johnson Space Center for flight planning, mission operations, and launch control.

USCENTCOM communications.—The Committee recommends a $5,000,000 reduction in the $21,317,000 request for USCENTCOM, the centralized command for command and control of combat operations in Southwest Asia. This reduction is in agreement with the revised budget pending better program and policy definition.

Range improvements.—The Committee recommends a reduction of $8,500,000 in agreement with the revised budget request. A total of $92,056,000 is provided for 1985.

OTHER BASE MAINTENANCE AND SUPPORT EQUIPMENT

Equipment readiness.—The Committee recommends a budget increase of $52,055,000, spread over four procurement lines, to fund equipment shortfalls identified by the Air Force as significant communications readiness requirements. The increases are applied to mobile generators (+$14,500,000), calibration equipment (+$3,322,000), and test equipment (+$10,207,000), and items less than $900,000 (+$24,026,000). The $14,500,000 added for generators is obtained by transfer from prior year savings identified in the May budget revision.

Medical equipment.—The Committee recommends $3,700,000, the budget estimate, for medical equipment required for a 500-bed contingency hospital in Europe. The recommendation rejects a budget revision proposal to delete the funds.

Air base survivability.—The Air Force requested $14,228,000 for various pieces of air base survivability equipment. The Committee recommends accepting the $2,000,000 reduction proposed in the revised budget, which reduces the number of runway repair equipment sets from four to two.

Mobility equipment.—The Committee recommends a reduction of $4,200,000 in agreement with the revised budget. A total of $44,473,000 is provided for 1985.

Selected activities.—The Committee recommends an appropriation of $3,583,279 for selected activities, a reduction of $17,170,000 in the budget estimate. This classified activity adjustment is discussed in a special annex to the report.

Miscellaneous equipment.—The Committee recommends $13,498,000, a reduction of $7,000,000 below the budget, the details of which are discussed in the classified annex.

Authorization changes.—The Committee recommends the following adjustments in accordance with the Senate-passed authorization bill (S. 2723):

[In thousands of dollars]

Program	Fiscal year 1985 budget request	Committee recommendation	Recommendation compared to budget
Bigeye (AP)	19,754		-19,754
9mm handgun ammunition	1,975		-1,975
9mm handgun	3,000		-3,000
Items less than $900,000	9,356	7,556	-1,800
Vehicle equip., undistributed reduction		-65,300	-65,300
DEW radar	37,737	27,737	-10,000
TR-1 ground	108,227	40,027	-68,200
MX communications	2,467		-2,467
PLSS	68,876	60,876	-8,000
EMP hardening	11,162	262	-10,900
Automated telecom	21,300	16,300	-5,000
Items less than $900,000	21,139	21,039	-100
Undistributed reduction		-110,069	-110,069

NATIONAL GUARD AND RESERVE COMPONENT EQUIPMENT

1984 appropriation	$176,000,000
1985 budget estimate	
Committee recommendation	431,000,000

The Committee recommends an appropriation of $431,000,000 in a separate account to provide military equipment to the National Guard and Reserve components of the services. There was no specific budget estimate for this activity.

PROGRAM RECOMMENDED

The Committee recommends the following allocation of funding by reserve component:

[Dollar amounts in thousands]

	Committee recommendation	Change from budget
Army National Guard	163,000	+163,000
Army Reserve	168,000	+168,000
Naval Reserve	40,000	+40,000
Marine Corps Reserve	30,000	+30,000
Air National Guard	20,000	+20,000
Air Force Reserve	10,000	+10,000

Reserve component readiness is considered by Congress as a key asset for cost-effective defense, and will be improved by an investment in National Guard and Reserve equipment. Appropriations are recommended which redress areas of equipment shortfall identified in the Force Readiness Annex, National Guard and Reserve Report. The Committee is particularly concerned with the most significant shortfalls of the Army Guard, Army, Reserve and the Navy Reserve. Communications and electronics equipment is in consistently short supply throughout these three components. Some missile support equipment shortfalls were reported in the Air Force Reserve and Air National Guard and it is to these requirements that funds are directed.

The allocation to the Army Reserve includes $33,000,000 for commercial utility cargo vehicles and $55,000,000 for up to 280 M113A3 armored personnel carriers. The allocation to the Army National Guard includes $33,000,000 for commercial utility cargo vehicles. The allocation for the Air National Guard includes up to $5,000,000 for initiation of a program to install an improved ejection seat, such as the SJU-8/A, in A-7 aircraft.

Except as otherwise noted, the Chief of each National Guard and Reserve component shall allocate these additional funds to equip units in a way that will provide the most military capability for the money.

PROCUREMENT, DEFENSE AGENCIES

1984 appropriation	$942,657,000
1985 budget estimate	1,243,500,000
Committee recommendation	1,179,860,000

The Committee recommends an appropriation of $1,179,860,000, a decrease of $63,640,000 below the budget estimate, and $43,140,000 below the revised budget.

This appropriation provides for procurement of capital equipment for the Defense Communications Agency, the Defense Investigative Service, the Defense Mapping Agency, the Defense Logistics Agency, and other agencies of the Department of Defense. The fiscal year 1985 program includes procurement of automatic data processing equipment, mechanical materials handling systems, general and special-purpose vehicular equipment, communications equipment, and mapping, charting, and geodetic equipment.

PROGRAMS AND ACTIVITIES

Classified programs.—A reduction of $43,140,000 is recommended for classified programs of the Defense Intelligence Agency and National Security Agency. Details are contained in the classified annex to this report.

Miscellaneous reductions.—The Committee accepts the proposed $20,000,000 reduction in material handling equipment, mechanized material handling equipment, ADP equipment, telecommunications equipment, and other major equipment as suggested in.the May budget revisions.

Procurement assistance.—The Committee instructs the Defense Department to improve competition and lower costs by increasing assistance to State, county, and municipal governments in their efforts to establish procurement assistance centers. Such efforts will comply with the spirit of pending legislative provisions encouraging cooperative agreements for procurement technical assistance through the Defense Contract Administration Service regions throughout the United States.

The Defense Department has advised the Committee that additional administrative costs will be incurred in this endeavor. Given the impressive savings forecast by the Defense Logistics Agency stemming from the enactment of a flat rate per diem system last year, the Committee is satisfied that any additional costs for expanding technical assistance will be offset by anticipated savings.

DEFENSE PRODUCTION ACT PURCHASES

1984 appropriation	
1985 budget estimate	$25,000,000
Committee recommendation	25,000,000

The Committee recommends an appropriation of $25,000,000 for Defense Production Act purchases pursuant to Public Law 98–265 and the Defense Production Act of 1950.

TITLE IV

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The fiscal year 1985 Department of Defense budget for research, development, test, and evaluation totaled $33,985,037,000. The accompanying Senate bill contains $31,881,467,000. This is a reduction of $2,103,570,000 from the fiscal year 1985 budget. The recommended allowance is $1,407,999,000 below the May budget revision, and $693,499,000 below the Senate authorization. The recommended allowance is $5,142,198,000 above the fiscal year 1984 appropriation for RDT&E. The following table summarizes the budget estimates and Committee recommendations:

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
Research, development, test, and evaluation:			
Army	4,987,100	4,540,125	-446,975
Navy	9,826,076	9,300,867	-525,209
Air Force	14,401,955	13,488,335	-913,620
Defense Agencies	4,707,906	4,493,140	-214,766
Director, test and evaluation, Defense	62,000	59,000	-3,000
Total, RDT&E	33,985,037	31,881,467	-2,103,570

COMMITTEE OVERVIEW

The fiscal year 1985 budget request for defensewide research, development, test and evaluation is approximately 11 percent of the entire budget of the Department of Defense. Real growth in R&D budget request totaled 21 percent in fiscal year 1985. As the following chart indicates, most of this real growth is occurring in programs of the Navy and Defense Agencies, and to a lesser extent, the Army and Air Force. The Defense agency appropriation shows 68 percent real growth due to the transfer of Army BMD programs to the strategic defense initiative, and a budget increase of $250,000,000 over last year's projection for SDI-related programs.

RDT&E PROGRAM COMPARISON

BUDGET AUTHORITY

[Dollar amounts in millions]

	Fiscal year 1984 enacted	Fiscal year 1985 budget	Dollar increase	Percent net growth
Army	$4,199	$4,987	+788	14
Navy	7,560	9,826	+2,266	25
Air Force	12,228	14,402	+2,174	13
Defense Agencies/DT&E	2,753	4,770	+2,017	68
Total	26,739	33,985	+7,246	21

Growth issues.—The real growth in the research and development budget request is primarily directed at improvements for U.S. strategic nuclear forces, intelligence and communications programs, space activities, and new program starts. Much of this real growth is required to correct near-term deficiencies in our defense posture, provide for adequate force modernization and establish a stable base from which to make long-range planning in the acquisition area. As such, the Committee is supportive of increased investment in defensewide research and development.

The RDT&E Program for the Department of Defense has nearly doubled in the past 4 years. Fiscal year 1981 congressional appropriations for defense research and development topped $16,000,000,000. This year's Committee recommendation for RDT&E is almost twice that amount, at $31,900,000,000. The major impetus for this increase in the RDT&E accounts has been the heavy, sustained real growth in RDT&E budgets made possible by the fiscal year 1981 supplemental and all subsequent annual appropriations bills, including fiscal year 1985.

The following chart outlines how the RDT&E account has grown annually in real terms since fiscal year 1981:

Real growth in RDT&E

Fiscal year:	*Percent*
1981	13.1
1982	13.7
1983	8.5
1984	12.6
1985	[1] 20.8

[1] Fiscal year 1985 budget request.
Source: OSD/Comptroller's Office.

Clearly, this heavy RDT&E investment of the past 4 years cannot be sustained after fiscal year 1985. The May budget revision assumes further outyear defense budget reductions which will substantially reduce resources made available to defense, including RDT&E. The Committee expects RDT&E spending growth to slow in future years, but nonetheless to be sustained at a high nominal level compared to the remainder of the defense budget, due to the growth made possible during the last 4 years.

The Committee must recognize that this is probably the final year that a high level of RDT&E real growth can be sustained in the congressional budget process. It appears that future RDT&E spending plans will be strongly influenced by the strategic defense initiative unless funding priorities change. This could have a major impact on the program structure of many other tactical, strategic, and intelligence/communications programs during the next 5 years.

Therefore, the Committee directs the Office of the Secretary of Defense to submit with the fiscal year 1986 budget request and the fiscal years 1986–90 5-year defense plan, a 5-year RDT&E budget profile—by service and budget activity—to provide the Committee with its long-term outline as to how future RDT&E resources will be allocated. The plan should address the proportion of the RDT&E budget which will likely be absorbed by SDI, and the allocation of outyear RDT&E resources between tactical, strategic, and intelligence/communications programs.

The Committee has carefully reviewed new program starts this year and concluded that many with potential but lacking firm cost or schedule planning will have to be deferred. The Committee has also chosen to decrease funding for programs having marginal military utility or which have the net effect of constraining budgetary support for other essential defense research and development efforts. In making its reduction, the Committee has sought to provide full support for all important, ongoing R&D programs that meet essential near-term U.S. military requirements that cannot afford to be deferred. Where cuts have been made, they have been concentrated on new starts, program accelerations, marginal initiatives, and programs lacking firm cost-effectiveness criteria.

Highlights.—The Committee notes its continuing support for the technology base modernization effort of the military services and DARPA. Increased investment in basic research and innovative technologies is a high RDT&E priority. The Committee has supported this objective by providing a high level of funding for all technology base budget activities, and by fully funding the Triservice University Research Instrumentation Program and the Supercomputers Program.

The Committee has agreed to fund the dual role fighter (F–15E), the F–14 upgrade, and the A–6E upgrade. The Committee is supportive of Air Force and Navy plans to product improve existing tactical aircraft rather than start, at this time, separate and costly development programs to meet service requirements. In acknowledgement of the requirement for development of Air Force tactical fighter engines with increased thrust potential, the Committee has added $73,500,000 to the Air Force budget to fund the engine thrust improvement program proposed in the President's May budget revisions, and expects timely execution of the program.

The Committee has fully funded most of the essential research and development programs covered by the Senate-passed Defense authorization bill. The proposed RDT&E Program will permit ongoing development for all major Army programs, including JSTARS, JTACMS, LHX, and RPV's; permit the Navy to pursue its most essential development programs—the DDG–51, the advanced lightweight torpedo, the MK 48 ADCAP torpedo, the JVX, and the F–14 and A–6 upgrades; and permit full funding for nearly all major Air Force strategic and tactical programs. The Committee has also provided full funding at the Senate-authorized level for the President's strategic defense initiative. For an explanation of the Committee position on SDI, see the RDT&E, Defense agencies, section of the report.

The fiscal year 1985 statement of the Under Secretary of Research and Engineering to Congress indicated that sustained Soviet investment in defense research and development will cause the U.S.S.R. to outspend the United States in military RDT&E by $185,000,000,000 between the years 1975 and 1985. The Committee cannot expect the United States to outspend the Soviets in this area, but it does support the effort of the administration to close this gap, modernize U.S. strategic and tactical forces, and protect the U.S. leadtime advantage in military critical technologies by developing a more restrictive policy toward the export of high technology to the Soviet Union.

The Committee believes that its actions demonstrate that certain carefully targeted reductions to the research and development budget request can be made without impairing the general thrust of the administration's defense Research and Development Program. Its actions have shown that RDT&E resources can be directed under a substantially reduced budget ceiling to those areas having the greatest potential for high military payoff. In achieving these budget reductions, the Committee believes that it has acted responsibly and that it has shown a continuing support for the overall Research and Development Program.

The recommended Research and Development Program represents an increase of $5,100,000,000 over the fiscal year 1984 appropriation, for a real growth of approximately 14 percent. This is maximum real growth under the ceilings imposed by the fiscal year 1985 budget process, and higher than the 13 percent real growth recommendation made by the Committee last year.

Manufacturing methods and technology.—The Committee recommends funding servicewide manufacturing methods and technology programs at the revised budget level. The MM&T Program objective is to develop improved manufacturing methods and techniques related to development and production activities.

Last year, the appropriations conference agreed to transfer most MM&T funding from the procurement account to the RDT&E account. The Department of Defense, in answer to subcommittee questions this year, maintained that, "The ManTech Program should be predominantly funded from the procurement appropriations where, as we see it, it will provide the greatest payoff because it will be managed by individuals and the structure in the Department whose experience lies in production rather than in traditional R&D functions." The DOD went on to note that the transition to R&D funding has caused temporary inefficiencies in ManTech fiscal management, because the shift from priorities in a production base infrastructure to the priorities of an R&D infrastructure has lowered the learning curve.

In response to these negative answers, the Committee asked the three services to provide it with a listing of R&D-funded ManTech programs it believes are solely related to production activities. The following chart lists the service responses:

Amount of R&D-funded ManTech related to production activities

	Millions
Army	$41.9
Navy	18.5
Air Force	41.6
Total	102.0

Although the Committee feels the true impact of the merger of ManTech funding into the RDT&E account will not become apparent until fiscal year 1986 and beyond, it is already clear that not all production-related MM&T activities have experienced a smooth transition to R&D funding. Others have been completely dropped due to the change, according to the Department.

The Committee recommends that the Department provide it with a report to accompany the fiscal year 1986 budget on the impact of transferring production-related ManTech funding activities from the procurement to the RDT&E appropriation. Included in this report should be an analysis of how R&D funding of production-related activities has complicated ManTech fiscal management.

Should the Department believe that the problem is of such significance as to require action during the course of fiscal year 1985, the Committee would be willing to entertain a reprogramming action to retransfer production-related ManTech activities from RDT&E back to the procurement appropriation account.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

1984 appropriation	$4,199,125,000
1985 budget estimate	4,987,100,000
Committee recommendation	4,540,125,000

The Committee recommends an appropriation of $4,540,125,000, a reduction of $446,975,000 to the budget request.

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
Technology base	787,734	775,514	-12,220
Advanced technology development	557,338	506,933	-50,405
Strategic programs	227,033	225,582	-1,451
Tactical programs	2,329,995	2,034,807	-295,188
Intelligence and communications	67,572	67,572	
Defensewide mission support	1,017,428	933,517	-83,911
Fuel adjustment		-1,600	-1,600
Consultants		—2,200	-2,200

PROGRAMS AND ACTIVITIES

The budget activities and programs funded under this appropriation are discussed below. These activities and programs require annual authorization prior to appropriations pursuant to the provisions of section 412(b) of Public Law 86–149, as amended.

TECHNOLOGY BASE

The recommended program includes $775,514,000 for technology base. This activity finances basic research and exploratory development with the primary objective of increasing the store of fundamental scientific knowledge adaptable to the solution of widely varying future Army requirements. A strong technology base is needed in order to (1) maintain technological superiority in military weapons, thus offsetting adversary numerical advantages, (2) avoid technological surprise that could cause premature obsolescence of major weapons systems, and (3) lead to acquisition of effective but less costly capabilities by using innovative products built on new technology.

The Committee recommends the following changes to the budget estimate in Army technology base programs:

Defense research sciences.—The Committee recommends an appropriation of $211,798,000 for the Army Defense Research Sciences Program, a reduction of $2,527,000 to the budget request. The Committee recommends that the reductions applied to this program be distributed against the following fiscal year 1985 new project starts:

Program	*Reduction*
Combat support research	$1,000,000
Advanced image processing	500,000
Rapid and timely battlefield information comprehension	500,000
Opto-electronic correlators for missile guidance	527,000

Each of these fiscal year 1985 new project starts was budgeted at a level above $2,000,000. The Committee sees no indication from the Army that these projects require such a high level of effort in their initial year. Therefore, the Committee exacts a small general reduction against each project, which will, nevertheless, permit all of these projects to be started at a level of at least $1,500,000 in fiscal year 1985.

Ballistics technology.—The Committee recommends an appropriation of $46,916,000 for ballistics technology, a reduction of $1,000,000 to the budget request. This program more than doubled from last year's projection for fiscal year 1985 ($20,969,000) to permit a classified, accelerated effort to improve the capability of Army munitions to defeat enemy armor protection in standard and future weapons systems.

While generally supportive of the new ballistics technology effort, the Committee notes that it is geared toward evaluating post-1990 projected threats and is essentially an Exploratory Development Program. Because much of the proposed research appears to be in the conceptual stage, the Committee believes that a small reduction can be made against the program without impairing the overall thrust of the exploratory development effort.

The Committee requests that the Army provide to it no later than April 1, 1985, a preliminary report on the Ballistics Technology Program and the nature of the post-1990 threat requiring additional investment beyond this level in future years.

Human factors engineering systems development.—The Committee recommends an appropriation of $10,668,000 for human factors engineering systems development, a reduction of $800,000 to the budget request. The Army did not use the entire fiscal year 1984 appropriation for this program and further decreased outyear funding for it in fiscal year 1985 from last year's projection. Much of the exploratory research in the program is for robotics integration and research, for which Army outyear requirements are not firmly identified. The Committee believes that the reduction can be absorbed without impairing the basic program.

Environmental quality technology.—The Committee recommends an appropriation of $11,184,000 for environmental quality technology, the amount in the budget request. The Army added $2,462,000 to the fiscal year 1985 budget for this program over last year's projection to support hazardous/toxic waste control and to initiate installation restoration activities.

While the Committee supports these initiatives, it notes that the Army intends to reduce the fiscal year 1986 budget to $8,846,000 and that the Army has decreased funding for this program by over $1,000,000 after receiving appropriations by reprogrammings and pro rata applications of general reductions. The Committee is concerned that these actions demonstrate an absence of a high priority in the Army for this program and that the full budget request might not be spent.

Therefore, the Committee directs that the Army provide it with an outyear plan for the program showing a sustained level of effort, rather than one with the peaks and valleys presented this year. The report should be provided to the Committee no later than February 1, 1985.

ADVANCED TECHNOLOGY DEVELOPMENT

The recommended program includes $506,933,000 for advanced technology development. This activity provides for exploration of alternatives and concepts prior to development of specific weapons systems. New technological developments are pursued which are not formally identified to specific operational requirements. This effort includes feasibility demonstrations of innovative concepts and emphasizes hardware competition and pursuit of alternate solutions to potential military problems. Particular emphasis is placed on demonstrating new concepts to provide improved land warfare capabilities in the 1980's and 1990's, including land and helicopter vehicles and related propulsion and electronics technology, land warfare target detection, acquisition and weapon technology, chemical/biological defense, training and personnel technology, and medical developments related to combat personnel.

The Committee recommends the following changes in the budget request for advanced technology development:

Fuels and lubricants advanced technology.—The Committee recommends an appropriation of $4,000,000 for fuels and lubricants advanced technology, a reduction of $972,000 to the budget request. The Army more than doubled the level of effort for the Fuels and Lubricants Program to permit increased operational testing and validation of new fuels and variable quality mobility fuels for Army combat vehicles and aircraft. Congress reduced this program to $2,000,000 in fiscal year 1984 out of a concern that the increased level of effort on shale-derived diesel fuel in large quantities was not sufficiently justified. To date, the Army has not responded to these concerns, but intends to augment the program by providing a broader base of domestically available Army logistics fuels.

The Committee prefers that the Army slow this program and report back to Congress on how introduction of shale-derived diesel fuel into the Army will affect the Army's logistics system before seeking additional funds.

Battlefield environment simulation.—The Committee has denied the fiscal year 1985 budget request for a new start—battlefield environment simulation. This program would start an upgrade for advanced simulation centers [ASC] for nondestructive hardware-in-the-loop simulation of weapons systems sensors, guidance and control components, and flight hardware.

The Army did not provide any assessment of the average annual cost of the ASC upgrade, even though it contends that it is cost effective. Consequently, the Committee has no means to gauge whether the program will be cost effective or not. The Committee denies this fiscal year 1985 new start without prejudice, and advises the Army to submit future budget requests which give a better assessment of the annual level of effort for the proposed ASC upgrade and real data on its cost effectiveness.

Advanced land mobility concepts.—The Committee recommends an appropriation of $19,000,000 for advanced land mobility concepts, a reduction of $3,637,000 to the budget request. The fiscal year 1985 budget request nearly tripled last year's appropriation of $7,650,000 for this program. The Army also requested a mid-fiscal year 1984 reprogramming of $4,000,000 to support the tank test bed which would explore the tactical and operational impacts of an external main tank gun utilizing an automatic loader in an M1 mainbattle tank chassis.

The Committee questions whether the Army can afford to take all of the proposed test bed projects in this program to advanced development. This includes the long-range antitank test bed, the infantry fighting vehicle test bed, and the directed energy test bed. All of these are proposed for transition from exploratory development to advanced test bed status in fiscal year 1985. The Committee directs that the Army apply the fiscal year 1985 reduction so as to return at least two test bed projects back to the exploratory development stage. The Army should report back to the Committee on which two projects have been returned to exploratory development no later than January 1, 1985. The Committee understands that the Army may have to reprogram funds below threshold to sustain the two test bed projects denied in exploratory development during fiscal year 1985.

Combat vehicle turret and chassis subsystems.—The Committee recommends an appropriation of $17,000,000 for combat vehicle turret and chassis subsystems, a reduction of $2,228,000 to the budget request. The Army request would nearly triple funding for the combat vehicle and track suspension project, which is where advanced development of new tank tracks, pads, and pins is investigated. The Committee is concerned that the Army is rushing into the full-scale durability testing of the T142 (M60) type track for the M1 tank without thoroughly investigating all alternatives, including the West German 570N, 570F tracks. The proposed reduction should be applied against all efforts within the combat vehicle and track suspension project related to accelerated tank track development and testing.

Education and training.—The Committee recommends an appropriation of $10,661,000 for education and training, a reduction of $1,000,000 to the budget request. The Department of Defense added this amount above last year's projection for the fiscal year 1985 program without addressing how these additional funds would be spent. The proposed level of funding approved by the Committee is nearly $3,000,000 above last year's appropriation and should more than adequately fund new research efforts.

DOD software initiatives.—The Committee recommends an appropriation of $15,000,000 for the DOD software initiative [STARS]. This is a joint program to reduce the labor intensiveness and latent defects associated with mission-critical defense software. The focus of the program will be the automated software factory concept, which will emphasize development of computerized software tools and reusable software parts.

Last year Congress provided only $1,000,000 to intiate the STARS Program. The appropriations conference held the level of funding to that amount due to lack of adequate justification for the new program. The fiscal year 1985 program appears much improved over fiscal year 1984 and the Committee is generally convinced that STARS will help improve the productivity of modern military systems. The Committee believes that a small $5,685,000 reduction can be absorbed without significantly impairing the program. The combined fiscal year 1984 and fiscal year 1985 appropriations for STARS will bring the STARS budget close to the level requested in fiscal year 1984 to start the program.

AI/robotics demonstration.—The Committee recommends denial of the $7,291,000 budget request for artificial intelligence/robotics demonstration. Funds were denied by Congress in fiscal year 1984 for this program. This year the Army's request would start a new Tactical Robotic Vehicle [TRV] Program. The TRV demonstrator will receive secure mission orders from a control center and operate via remote control. If contact of the robot is lost, it would be preprogrammed to return to base. The Committee questions the validity of this program and has yet to be given a firm Army requirement to start it. In the view of the Committee, all research and development on robotics demonstrators should be funded in the Defense Advanced Research Projects Agency budget until firm service requirements can be developed in support of this program.

STRATEGIC PROGRAMS

The recommended program includes $225,582,000 for strategic programs. This activity provides for all research and development efforts on strategic offensive, defensive, and control systems. Primary emphasis is on ballistic missile defense.

The Committee has fully funded the Senate authorization, deleting $1,451,000 for the Ballistic Missile Defense Systems Technology Program.

TACTICAL PROGRAMS

The recommended program includes $2,034,807,000 for tactical programs. This activity provides for advanced engineering, and operational systems development efforts on all aspects related to all conflict levels of tactical warfare, with emphasis on land warfare, battlefield air mobility, and related combat support. This includes developments to improve the Army's capabilities in the combat missions of battlefield surveillance, close combat, aerial and surface fire support, field army air defense, and mine warfare, plus improved capability in the related support missions of air and surface mobility, logistics-personnel support, communications, command and control, navigation, position locating, electronic warfare, physical security, and chemical/biological defense.

The Committee recommends the following major changes to the budget estimate, in accordance with the pending authorization:

LHX.—The Committee recommends an appropriation of $43,603,000 for ARTI/LHX and $21,518,000 for aircraft propulsion systems, a reduction of $5,000,000 to each program. The total amount of funding approved for LHX-related development programs totals $65,121,000.

The Army proposed a 2-year acceleration of the LHX Development Program with its fiscal year 1985 budget request. The Committee recommends this relatively small $10,000,000 reduction (equally divided against ARTI/LHX and the engine program), and recommends that the program now be restructured around less ambitious program goals and schedule objectives. The Army should present the Committee with a revised LHX development schedule and funding profile supporting a program restructuring after the House-Senate appropriations conference.

The Army proposed taking LHX to full-scale development in fiscal year 1986, flight testing prototype aircraft in late calendar year 1987, and reaching an initial operating capability in fiscal year 1992. The Committee doubts whether all the technology needed to make LHX a successful program can be absorbed and engineered within that timeframe. The very goals which make LHX appear an attractive development program—with the potential for saving R&D dollars and lowering operations and personnel costs—would seem to require more time, not more upfront money.

The Committee is supportive of the program goals and technology objectives of the LHX Program. These objectives include: Development of a single airframe to support a family of Army helicopters for attack, scout, and utility missions; advanced composite airframe technology; advanced digital/optical flight control systems; advanced rotorcraft technology integration; VHSIC technology insertion and advanced technology demonstration engines. In view of the Army's stated goal of designing LHX for single-pilot and night-adverse weather operation, the Committee tends to side with the concerns of the Senate Armed Services Committee over the ambitious development schedule proposed by the Army. However, the Committee supports continuation of LHX development through the preliminary design stage.

LHX is a 5,000-aircraft, $30,000,000,000 program. If it is to be sustained, the Army must convince the Committee that the development program is sound. The Committee was not convinced that the program was properly structured in the fiscal year 1985 budget, but it is willing to support continuation of LHX through completion of the preliminary design phase in fiscal year 1986. The Committee will not support taking the program into FSD in fiscal year 1986.

Smoke munitions and materiel concepts.—The Committee recommends an appropriation of $4,000,000 for smoke munitions and materiel concepts, a reduction of $1,041,000 to the budget request. This reduction is applied against the screening smoke concepts project, which supports advanced development of large and small area screening systems. These systems include smoke generators and smoke pots to establish smoke screens on friendly positions or between enemy positions to deny enemy observation and aimed fire.

The Committee fully supports the XM 52 smoke generator, but cannot support initiation of advanced development on the IR defeating smoke pot. Development of this smoke pot was deferred in fiscal year 1984 until fiscal year 1985 to support higher Army priorities, and the Army states that it is a continuing program which, unlike the smoke generator, shows no plan to transition to engineering development.

The Committee recommends that a reduction of $1,041,000 be applied against the screening smoke concepts project and that no funds be used to transition the IR defeating smoke pot to advanced development. All funds should be used to support the smoke generator.

Aircraft weapons.—The Committee recommends an appropriation of $5,000,000 for a new start, aircraft weapons. This program would initiate an engineering development effort to integrate the manportable Stinger missile on the OH–58 scout helicopter. The program is said to be necessary due to newly established requirement to provide air-to-air self-defense capability to scout helicopters.

The Committee was informed by the Army that the Stinger missile is foreseen as providing the future LHX helicopter with an air-to-air self-defense capability. The integration process will stem directly from the Stinger/OH–58 experience. However, the Army envisions preparation of a technical data package adequate for competitive procurement to be completed for the Stinger/OH–58 Program by the end of fiscal year 1986. This would support fielding of the system by the late 1980's.

The Committee is prepared to support use of the Stinger/OH–58 system as a test bed for the LHX, but not to support fielding of the system. Provisions for air-to-air self-defense capability for OH–58 scout helicopters would detract from their primary surveillance, reconnaissance, and target acquisition missions.

High-technology light division.—The Committee recommends an appropriation of $53,385,000 for the Army's High-Technology Light Division Program, a reduction of $5,411,000 to the budget request. The Committee's recommendation denies $5,411,000 for the indirect sight system.

The Committee understands that the Army is in the process of redirecting its smart munitions program. The Army is considering reprogramming fiscal year 1985 funds from smart munitions programs into the Guided Antiarmor Mortar Projectile program [GAMP] to develop a two-color infrared seeker to give GAMP a fire-and-forget capability. This technology would also be applicable to Copperhead. The restructuring of the Army smart munitions would terminate the 8-inch SADARM (sense and destroy armor) program, but generic SADARM technology would still be required to continue the 155mm SADARM Program.

The Committee is interested in these initiatives. Funds provided for SADARM programs should be earmarked solely for the 155mm projectile. The Committee directs the Army to submit a report on its revised smart munitions program no later than January 1, 1985, before submitting any reprogramming action.

The Committee questions the validity of the requirement to develop an indirect sight target system for TOW gunners on the fast attack vehicle [FAV]. There is serious doubt that the fast attack vehicle will ever be deployed in the Regular Army, and even if it were, it is unlikely it would be seriously considered for antitank roles. This project appears to be of the "hobby shop" variety and the Committee recommends that this addition to the fast attack vehicle be denied.

Modular integrated communication and navigation system (MICNS).—The Committee recommends an appropriation of $4,196,000 for MICNS, a reduction of $1,741,000 to the budget request. The Committee's action provides the same amount of funds projected for the fiscal year 1985 MICNS program made in last year's budget request. In the view of the Committee, the cost growth history of MICNS is unsatisfactory. The program description for MICNS indicates that these additional funds were required for test hardware to "assist in troubleshooting activities and facilitate the transition to production." No other justification was given. The Committee recommends that the Army absorb this reduction.

Combat Vehicle Improvement Program.—The Committee recommends an appropriation of $116,067,000 for the Combat Vehicle Improvement Program, a reduction of $4,000,000 to the budget request. The Army added $37,478,000 to this program above last year's projection for the fiscal year 1985 budget. This year the Army will initiate the M1 tank block 2 development program. The block 2 package for the M1 will include an improved commander's weapon station with new independent commander's and driver's thermal viewers, heading reference system, improved rangefinder, and fast refuel capability. A block 3 package may be added later, to contain signature suppression improvements, ballistic overhead protection, an automated muzzle reference system, and improved ability to engage moving targets.

The proposed M1 block 2 improvements appear warranted and should substantially improve the combat effectiveness of the M1 tank. However, the Committee is concerned that the current level of M1 tank production is so high that there could be potential problems retrofitting these improvements into M1 tanks that will be in the field. The Committee would rather see block 2 improvements for the M1 incorporated in tanks coming off the production line. This would minimize integrated logistics support problems that might arise.

Therefore, the Committee recommends a reduction of $4,000,000 to the M1 block 2 program and directs the Army to submit, no later than April 1, 1985, an M1 tank master plan addressing the issue of production rates and incorporation of the proposed block 2 and block 3 improvements.

Field artillery ammunition.—The Committee recommends an appropriation of $5,600,000 for field artillery ammunition, a reduction of $26,200,000 to the budget request. This action deletes all funding for the 8-inch SADARM smart munition, which was terminated in midyear by the Army. SADARM technology is being continued in the 155mm size as a part of the terminally guided projectile program.

The Army informed the Committee that the decision to terminate the 8-inch SADARM was driven by marginal system cost effectiveness against certain target scenarios, and the relative priority of the system in competing for funds. The decision was made after the budget request was sent to Congress, and termination of the 8-inch SADARM program permits the Committee to reduce the Army RDT&E budget by $26,200,000.

The Army requested that the funds budgeted for the 8-inch SADARM be retained and reallocated to other smart munitions programs. The Committee requested a plan for this reallocation but none was provided. Indeed, the Army could not even provide preliminary guidance.

The Committee is concerned over apparent lack of direction in the Army smart munitions program. The DOD antiarmor master plan provided to the Appropriations Committees earlier this year is now severely out of date, particularly those portions dealing with Army programs. The Committee directs the Army to submit its own revised antiarmor master plan by January 1, 1985, before seeking additional smart munitions funding.

Included in this antiarmor master plan should be an outline of the requirement, state of technology development and funding profiles for the following systems: 155mm SADARM, GAMP, MLRS-TGW, advanced antitank weapons system (AAWS), Copperhead II, Hellfire fire and forget, and JTACMS.

Remotely piloted vehicles.—The Committee recommends an appropriation of $96,140,000 for remotely piloted vehicles, a reduction of $7,000,000 to the budget request. The Army's RPV program is currently undergoing revision from a 70-month to 79-month development program. The Committee believes that this small reduction can be made without impairing the revised 79-month development schedule.

RPV's are unmanned flying drones which use television and forward-looking infrared sensor technology to perform battlefield reconnaissance and target acquisition missions. RPV's will provide Army artillery units with video transmission so that a forward controller can adjust fire for laser-seeking weapons such as Copperhead.

Two years ago the Committee expressed the concern about a lack of Army and OSD urgency in RPV technology. The Army has recently informed the Committee that the contractor was unable to meet the 70-month development schedule, but that Army approval of the revised schedule is expected in later September. Included in the RPV program revision is a risk reduction effort which removes all developmental and operational tests concurrency. The Committee encourages the Army to continue to give this program strong management attention, so that further program slippage can be prevented.

The Committee directs that the Army provide it with a report on the revised 79-month RPV development program no later than February 1, 1985. Included in this report should be an outline of all major program milestones, test objectives, development, and procurement funding for the next 5 years, and up-to-date flight test results.

Classified programs.—The Committee recommends an appropriation of $291,806,000 for certain classified Army tactical programs, a reduction of $34,346,000 to the budget request. The Committee recommends a reduction of $11,346,000 to tactical ECM systems, and a reduction of $23,000,000 to the joint tactical fusion program. The explanation for these changes can be found in the classified annex to the Committee report.

INTELLIGENCE AND COMMUNICATIONS

The recommended program includes $67,572,000 for intelligence and communications. This activity provides for advanced, full scale engineering and operational systems development efforts in intelligence, worldwide communications, and other defensewide mission support.

The Committee has fully funded the Army intelligence and communications budget request, recommending no programmatic changes.

DEFENSEWIDE MISSION SUPPORT

The recommended program includes $933,517,000 for defensewide mission support. This activity provides for efforts directed toward support of installations or operations required for use in general research and development and not allocable to specific missions. Included are technical integration efforts, technical information activities, major test ranges, test facilities and general test instrumentation, target development, support of user test, international cooperative research and development, and other research and development support.

The Committee has recommended the following reductions in Army defensewide mission support programs in conformance with the pending authorization:

Nonsystems training devices.—The Committee recommends an appropriation of $4,462,000 for nonsystems training devices, a reduction of $1,638,000 to the budget request. The reduction is directed against a new project start, artillery/air defense/engineer. This action denies a $663,000 cost growth for the simulation of area weapons effects for field artillery indirect area fire (SAWE–IAF) effort, and $975,000 for the balance of the project line (A225). The Committee notes that outyear fiscal year 1986 Army projections for this project level off at approximately $2,000,000, the same level of effort recommended by the Committee.

Nonsystems training devices engineering.—The Committee recommends an appropriation of $32,205,000 for nonsystems training devices engineering, a reduction of $2,325,000 to the budget request. The action partially denies a $4,325,000 increase programmed to reflect increased Army emphasis on the use of training devices to provide initial training for soldiers and crew members. This small reduction still permits a more than twofold increase in training device advanced development from last year's level of $12,545,000.

DOD high-energy laser systems test facility.—The Committee recommends an appropriation of $33,000,000 for the DOD high-energy laser systems test facility, a reduction of $6,399,000 to the budget request. The reduction is made in anticipation of the authorization agreement on the funding level for this program, and is without prejudice.

This program supports the establishment of a high-energy laser test facility that would be used by all of the military services and DARPA in support of their high-energy laser systems. When completed, the facility will support generic high-energy laser testing in such areas as hardening, vulnerability, component verification, and systems verification.

Specific emphasis is now being directed toward support of damage and vulnerability programs using the MIRACL (midinfrared advanced chemical laser). Installation of the MIRACL laser as a damage and vulnerability infrared energy source will be completed by fiscal year 1985. An April 30, 1984, report to the Committee from the Assistant Secretary of the Army, (Research, Development and Acquisition) noted that a prime objective of the DOD HELSTF program in fiscal year 1985 was to make MIRACL operational in 1985.

The Committee supports this objective, and directs that none of the reduction made to the program be applied against the MIRACL effort. Should the Army decide that additional work needs to be performed in other laser technology areas, the Committee would be willing to entertain a reprogramming action.

OTHER REDUCTIONS

Fuel adjustment.—The Committee recommends taking the $1,600,000 reduction for adjustments for fuel costs provided in the President's May budget revisions.

Consultants, studies, and analyses.—The Committee recommends a reduction of $2,200,000 against Army consultants, studies, analyses, and contract services.

ITEMS OF SPECIAL INTEREST

Chemical defense posture.—The Committee received the Army's classified report on the chemical defense posture of the U.S. Army, Europe, in June. This report was transmitted in response to Committee direction to the Army to provide such a report in the Committee report accompanying the Senate version of the fiscal year 1984 Defense appropriations bill. Although the Committee cannot elaborate on classified aspects of this report, it can generally state that there is still cause to be concerned about the chemical defense posture of the U.S. Army in Europe. Improvements have been made in a number of areas, but not nearly enough to resolve combat operations and sustainability problems.

In the view of the Committee, additional RDT&E funding is required to resolve equipment, training, and force personnel deficiencies in the chemical defense area. These improvements should be undertaken irrespective of U.S. decisions on binary munitions production. The Committee believes that the additional funds provided for chemical defense RDT&E will be efficiently spent, and that this effort is clearly worthy of additional investment.

High Technology Light Division/Army development and employment activity.—The Senate-passed authorization bill proposes funding the transfer of R&D funding for the High Technology Light Division and Army development and employment activity programs into six separate force division lines. However, the Army strongly opposes this transfer, arguing that the funds would not be efficiently spent if distributed directly to six division commanders. The Army contends this distribution would make duplication of effort more difficult to control, and the divisions and major commands would need more personnel to manage the effort.

The Committee supports the position of the Army on this proposal. The more cost-effective way to conduct new RDT&E initiatives is through consolidation of effort under the Commander of the 9th ID and ADEA. The 9th ID Commander already has in place the trained staff necessary to manage new R&D initiatives for the Army.

A similar recommendation is made for Army ADEA/HTLD initiatives in the Army operations and maintenance section of the report.

Industrial Base Program for Biological Warfare Vaccines/Drugs.—The Committee approves the entire budget request of $10,283,000 for the industrial base/biological warfare vaccines and drugs project within the Nonsystems Medical Materiel Development Program. The Committee notes that on April 26, 1984, the Army submitted a report requested by the Committee regarding justification for establishment of an industrial base for the development of militarily important vaccines and drugs against naturally occurring infectious diseases. The purpose of the Army program is to provide financial incentives to the pharmaceutical industry to develop and produce drugs and vaccines for DOD use. The Army report outlines a wide range of infectious diseases for which Government funding appears warranted due to unique military requirements. These proposed vaccines include: *E. coli* (traveler's diarrhea) vaccine; pseudomonas vaccine; meningitis vaccine (type B); hepatitis A vaccine; bacillary dysentery vaccine; typhus fever vaccine; dengue vaccine (types 1, 2, 3, and 4); antimalarial vaccine; gonococcal vaccine.

The report notes that the factors affecting vaccine manufacturers reluctance to develop new products for U.S. markets include inadequate market size, lack of profit, limited production facilities and personnel, legal and regulatory disincentives, cost and difficulty complying with Federal regulations and potential cost of liability. While many of these diseases are prevalent in areas outside the United States, they are not common in this country, and there is little incentive for private industry to commit to development and production.

The Committee notes that in recent conflicts, infectious disease casualty rates have exceeded combat losses by tenfold to one-hundredfold. This fact, together with the lack of market incentives to develop and produce these vaccines, leads the Committee to favorably receive the Army effort to establish the Vaccine Development Program this year. Without establishment of the program, the infectious vaccine effort will be set back, and the state of readiness of U.S. military forces will be diminished.

However, the report does note that two vaccines against military important diseases do appear to have a potential U.S. market—hepatitis A and gonorrhea vaccines. Of these two diseases, hepatitis A appears to pose a legitimate threat to the Army's worldwide deployment commitments. The issue of gonorrhea appears to be primarily confined to severe cases of the disease in the Far East. The Army report states that, "There are over 36,000 cases of the disease in the Army per year, and 50 percent of the cases seen in the Far East are drug resistant. This high prevalence of gonorrhea and the emergency of antibiotic resistant strains create an urgent need to develop and field a gonorrhea vaccine."

The Committee continues to question the requirement for development of a gonorrhea vaccine for what appears to be primarily a problem unique to the Far East. The Committee recommends that the Army not obligate or expend any funds for the development of a gonorrhea vaccine until it provides the Committee with a followup report on the nature and history of the problem in the Far East, and the feasibility of U.S. manufacturers privately financing development of the vaccine.

Dragon warhead product improvement.—The Committee is aware of the increased antiarmor capability which could be obtained through a product improvement of the Dragon warhead. The Committee understands that the Dragon warhead can be upgraded at a comparatively low cost. Should either the Army or Marine Corps decide to procure additional Dragon antitank weapons in the future, they should consider incorporating the improved Dragon warhead into the production weapon.

Ceramic elements for rotating valves.—The Committee understands that in late September the Army will award a contract to initiate a $500,000 project to develop ceramic elements for rotating valves in a single-cylinder research engine. Test results from this effort will be available in late 1985, from which the Army will make a decision to proceed with research and development on a multiple-cylinder engine using this technology.

The Committee recommends that the Army aggressively pursue the current contract (using fiscal year 1984 funds), and provides $860,000 of fiscal year 1985 funds for a potential multiple-cylinder follow-on effort. The Committee directs the Army to provide an interim report on the test results of the single-cylinder engine no later than June 1, 1985.

Meteorological support for aviation units.—The Army Intelligence and Security Command (INSCOM) has identified a requirement for increased meteorological support for aviation units deployed in the field. Reportedly, the Army intends to procure weather display systems in order to meet this requirement. The Committee supports this initiative and directs that from within available appropriations, the Army provide to INSCOM $3,000,000 to test and evaluate such a system.

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
RESEARCH DEVELOPMENT TEST + EVAL, ARMY				
TECHNOLOGY BASE				
IN-HOUSE LAB INDEPENDENT RESEARCH......................	24,483	24,483	24,483	---
DEFENSE RESEARCH SCIENCES..........................	214,325	214,325	211,798	-2,527
MATERIALS..	11,896	11,896	11,896	---
ATMOSPHERIC INVESTIGATIONS............................	4,965	4,965	4,965	---
NUCLEAR WEAPONS EFFECTS/FLUIDICS.......................	8,500	8,500	8,500	---
AIRCRAFT WEAPONS TECHNOLOGY...........................	3,146	3,146	3,146	---
AIRCRAFT AVIONICS TECHNOLOGY..........................	8,023	8,023	8,023	---
AERONAUTICAL TECHNOLOGY...............................	27,086	27,086	27,086	---
AIRDROP TECHNOLOGY....................................	1,798	1,798	1,798	---
MISSILE TECHNOLOGY....................................	31,177	31,177	31,177	---
LASER WEAPON TECHNOLOGY...............................	21,188	21,188	21,188	---
TANK AND AUTOMOTIVE TECHNOLOGY........................	23,051	23,051	23,051	---
SMALL CAL AND FIRE CNTRL TECHNOLOGY...................	9,161	9,161	9,161	---
BALLISTICS TECHNOLOGY.................................	47,916	47,916	46,916	-1,000
CHEMICAL AND SMOKE MUNITIONS..........................	12,582	12,582	12,582	---
JOINT SERVICE SMALL ARMS PROGRAM (JSSAP)..............	4,520	4,520	4,520	---
COMMUNICATIONS TECH...................................	16,285	16,285	16,285	---
COMBAT SURVEILL TARGET ACQUIS & IDENT.................	4,768	4,768	4,768	---
MIL ENVIRONMENTAL CRITERIA DEV........................	2,915	2,915	2,915	---
ELECTRICAL AND ELECTRONIC DEVICES.....................	20,821	20,821	20,821	---
CHEM BIOLOGICAL DEF & GEN INVEST......................	33,068	33,068	33,068	---
MAPPING - GEODESY.....................................	8,648	8,648	8,648	---
NIGHT VISION INVESTIGATIONS...........................	21,229	21,229	21,229	---
HUMAN FACTORS ENG SYS DEV.............................	11,468	11,468	10,668	-800
HUMAN PERFORMANCE EFFECT/SIMULATION...................	4,776	4,776	4,776	---
MOBILITY AND WEAPONS EFFECTS TECH.....................	9,217	9,217	9,217	---
ENVIRONMENTAL QUALITY TECH............................	11,184	11,184	11,184	---
MANPOWER/PERSONNEL/TRAINING...........................	7,913	7,913	7,913	---
CLOTHING EQUIP AND SHELTER TECH.......................	8,605	8,605	8,605	---
JT SVC FOOD SYS TECH..................................	6,013	6,013	6,013	---
COMPUTER AND INFORMATION SCIENCE......................	2,216	2,216	2,216	---
NONSYSTEMS TRAINING DEVICES TECH (NSTD)...............	4,528	4,528	4,528	---
COLD REGIONS ENGINEERING TECHNOLOGY...................	7,423	7,423	7,423	---
MILITARY FACILITIES ENGINEERING TECHNOLOGY............	4,597	4,597	4,597	---
MOBILITY EQUIPMENT TECHNOLOGY.........................	11,807	11,807	11,807	---
MED DEFENSE AGAINST CHEM AGENTS.......................	30,890	30,890	30,890	---
TACTICAL ADP TECH.....................................	7,893	7,893	---	-7,893
MILITARY DISEASE HAZARDS TECH.........................	22,120	22,120	22,120	---
COMBAT CASUALTY CARE TECH.............................	8,513	8,513	8,513	---
COMBAT MAXILLOFACIAL INJURY...........................	2,249	2,249	2,249	---
SYSTEMS HEALTH HAZARD PREVENT TECH....................	18,491	18,491	18,491	---
ENERGY TECH APPL FOR MILITARY FACIL...................	2,128	2,128	2,128	---
CLASSIFIED PROGRAMS...................................	44,152	44,152	44,152	---
TOTAL, TECHNOLOGY BASE................................	787,734	787,734	775,514	-12,220
ADVANCE TECHNOLOGY DEVELOPMENT				
MATERIALS AND STRUCTURES ADVANCED DEVELOPMENT.........	9,634	9,634	9,634	---
FUELS AND LUBRICANTS ADVANCED DEVELOPMENT.............	4,972	4,972	4,000	-972
AIRCRAFT POWER PLANTS AND PROPULSION..................	22,728	22,728	22,728	---
AIRCRAFT WEAPONS......................................	7,924	7,924	7,924	---
AIRCRAFT AVIONICS EQUIPMENT...........................	30,259	30,259	22,259	-8,000
AIR MOBILITY SUPPORT..................................	8,202	8,202	8,202	---

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
ROTARY WING CONTROLS/ROTORS/STRUCTURES................	30,295	30,295	30,295	---
SYNTHETIC FLIGHT SIMULATORS DEVELOPMENT...............	9,093	9,093	9,093	---
AIRDROP ADVANCEMENT..................................	4,965	4,965	3,965	-1,000
NOE AVIATION AND NAVIGATION EQUIPMENT................	366	366	366	---
TERMINALLY GUIDED PROJECTILES........................	10,030	10,030	10,030	---
MSL/ROCKET COMPONENTS................................	30,119	30,119	22,619	-7,500
BATTLEFIELD ENVIRONMENT SIMULATION...................	1,477	1,477	---	-1,477
ARMY DEVEL & EMPLOYMENT ACTIVITY-ADEA................	42,517	42,517	42,517	---
ADVANCED LAND MOB SYSTEMS CONCEPTS...................	22,637	22,637	19,000	-3,637
LANDMINE WARFARE/BARRIER DEV.........................	12,467	12,467	12,467	---
JOINT SERVICE SMALL ARMS PROGRAM (JSSAP).............	4,292	4,292	4,292	---
COMBAT VEHICLE PROPULSION SYS........................	13,311	13,311	13,311	---
CMBT VEH TURRET AND CHASSIS SUBSYS...................	19,228	19,228	17,000	-2,228
COMBAT VEHICLE ARMOR/ANTI-ARMOR......................	52,385	52,385	52,385	---
ADV PROPULSION/LAUNCH SYS FOR MUN....................	7,942	7,942	7,942	---
NUCLEAR HARDENING ADVANCED TECHNOLOGY................	985	985	---	-985
NIGHT VISION ADVANCED DEVELOPMENT....................	35,013	35,013	35,013	---
REMOTELY PILOTED VEHICLES/DRONES.....................	6,232	6,232	6,232	---
MANPOWER AND PERSONNEL...............................	17,026	17,026	12,026	-5,000
MILITARY ENGINEERING TECHNOLOGY......................	1,276	1,276	1,276	---
HUMAN FACTORS IN TNG/OPER EFFECT.....................	10,376	10,376	5,376	-5,000
ADV ELECTRONIC DEVICES DEV...........................	5,772	5,772	5,772	---
EDUCATION AND TRAINING...............................	11,661	11,661	10,661	-1,000
TRAINING SIMULATION..................................	4,763	4,763	4,763	---
TEST MEASUREMENT & DIAGNOSTIC EQUIPMENT DEVEL.........	4,767	4,767	4,767	---
TECHNICAL VULNERABILITY REDUCTION....................	6,004	6,004	6,004	---
DEMILITARIZATION CONCEPTS............................	8,354	8,354	8,354	---
DOD SOFTWARE INITIATIVES (STARS).....................	20,685	20,685	15,000	-5,685
AI/ROBOTICS DEMO.....................................	7,921	7,921	---	-7,921
CB DEF/SMK ADV TECHNOLOGY DEMONSTRATIONS..............	1,183	1,183	1,183	---
ELECTRONIC WARFARE FEASIBILITY DEVELOPMENT............	6,683	6,683	6,683	---
NONSYSTEMS MEDICAL MATERIAL DEVELOPMENT...............	13,237	13,237	13,237	---
MEDICAL CHEM DEFENSE LIFE SUPPORT MAT................	32,450	32,450	32,450	---
CLASSIFIED PROGRAMS..................................	18,107	18,107	18,107	---
TOTAL, ADVANCE TECHNOLOGY DEVELOPMENT...............	557,338	557,338	506,933	-50,405
STRATEGIC PROGRAMS				
BALLISTIC MSL DEF SYS TECH...........................	1,451	1,451	---	-1,451
WORLDWIDE MILITARY CMD&CNT SYS INF SYS...............	27,204	27,204	27,204	---
CLASSIFIED PROGRAMS..................................	198,378	198,378	198,378	---
TOTAL, STRATEGIC PROGRAMS..........................	227,033	227,033	225,582	-1,451
TACTICAL PROGRAMS				
JOINT SURVIVABILITY INVESTIGATIONS...................	990	990	990	---
GREATER SLOPE..	58,252	58,252	48,252	-10,000
ADVANCED ROTORCRAFT TECH INTEGRATION/LHX.............	48,603	48,603	43,603	-5,000
ANTI TACTICAL MISSILE (ATM)..........................	92,335	92,335	32,335	-60,000
SURF-TO-SURF MSL ROCKET SYS..........................	35,384	35,384	35,384	---
ADVANCED ANTI TANK WEAPON............................	24,901	24,901	24,901	---
LETHAL CHEMICAL MUNITIONS CONCEPTS...................	16,280	16,280	16,280	---
LANDMINE/BARRIER SYS.................................	13,273	13,273	13,273	---
SMOKE MUNITIONS AND MATERIEL CONCEPTS................	5,041	5,041	4,000	-1,041
ARTILLERY/MORTAR AMMO DEVELOPMENT....................	10,880	10,880	10,880	---

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
TANK/FIGHTING VEHICLE AMMO DEVELOPMENT	11,364	11,364	11,364	---
ELECTRIC POWER SOURCES	11,874	11,874	7,000	-4,874
PHYSICAL SECURITY	4,787	4,787	4,787	---
IDENTIFICATION FRIEND OR FOE EQUIP DEVEL	9,714	9,714	9,714	---
AIRCRAFT SURVIVABILITY EQUIPMENT	9,919	9,919	9,919	---
ARMY DATA DISTRIBUTION SYSTEM (ADDS)	23,213	23,213	23,213	---
ELECT WRFR VULNERABILITY/SUCEPTIBILITY	22,563	22,563	22,563	---
CHEMICAL/BIO DETECTION WARN/SAMP MAT CONCEPTS	31,838	31,838	31,838	---
CML BIO PROTECTIVE MATERIEL CONCEPTS	11,171	11,171	11,171	---
COMMAND AND CONTROL	20,649	20,649	20,649	---
COMBAT SUPPORT EQUIPMENT	15,676	15,676	15,676	---
COMBAT MEDICAL MATERIAL	8,312	8,312	8,312	---
SINGLE CHANNEL GRD/ABN RADIO SUB-SYS	2,207	2,207	2,207	---
SOLDIER SUPPORT/SURVIVABILITY	7,095	5,095	4,000	-3,095
DRUG AND VACCINE DEVELOPMENT	14,473	14,473	14,473	---
MEDICAL DEFENSE AGAINST CHEM WARFARE	36,659	36,659	36,659	---
COMBAT SERVICE SUPPORT CONTROL SYS	190	190	190	---
AIRCRAFT WEAPONS	9,930	9,930	5,000	-4,930
AIR MOBILITY SUPPORT EQUIPMENT	4,017	4,017	4,017	---
ADVANCED ATTACK HELICOPTER (AH-64)	16,766	16,766	16,766	---
AIRCRAFT PROPULSION SYSTEMS	26,518	26,518	21,518	-5,000
SYNTHETIC FLIGHT TRAINING SYSTEMS	14,134	14,134	14,134	---
AIRDROP EQUIP DEVELOPMENT	4,186	4,186	4,186	---
ARMY HELICOPTER IMPROVEMENT PROG	24,502	24,502	24,502	---
AIRCRAFT COMPONENT IMPROVEMENT PROGRAM	14,630	14,630	13,630	-1,000
STINGER	13,898	4,998	5,000	-8,898
PATRIOT	61,471	61,471	61,471	---
HELIBORNE MISSILE-HELLFIRE	454	454	454	---
GRASS BLADE	20,725	20,725	20,725	---
MULTIPLE LAUNCH ROCKET SYSTEM (MLRS)	1,851	1,851	1,851	---
HIGH TECHNOLOGY LIGHT DIVISION	58,796	58,796	53,385	-5,411
JOINT TACTICAL MISSILE SYSTEM (JTACMS)	78,978	78,978	78,978	---
INFANTRY SUPPORT WEAPONS	21,563	21,563	21,563	---
SMOKE MUNITIONS & MATERIEL	6,154	6,154	6,154	---
COUNTERMINE AND BARRIERS	4,734	4,734	4,734	---
FIGHTING VEHICLE SYS	16,858	16,858	16,858	---
LANDMINE WARFARE	12,050	12,050	12,050	---
M1 E1 DEVELOPMENT PROGRAM	53,682	53,682	53,682	---
FIELD ARTILLERY AMMUNITION	31,800	31,800	5,600	-26,200
105MM TANK AMMUNITION	10,050	10,050	10,050	---
COMM ENGINEERING DEV	9,830	9,830	9,830	---
JT TAC INFO DIST SYS (JTIDS)	21,231	21,231	21,231	---
MODULAR INTEGRATED COMM AND NAVIGATION SYS	5,937	5,937	4,196	-1,741
RADIOLOGICAL DEFENSE EQUIPMENT	288	288	288	---
IDENTIFICATION-FRIEND OR FOE EQ	5,058	5,058	5,058	---
NIGHT VISION DEVICES	10,842	10,842	10,842	---
AIRCRAFT SURVIVABILITY EQUIPMENT	16,813	16,813	16,813	---
ARMY CMD AND CONTROL SYSTEM (ACCS) SYS ENGR	11,568	11,568	11,568	---
COMBAT FEEDING, CLOTHING AND EQUIPMENT	6,290	6,290	3,000	-3,290
TACTICAL ELECTRIC POWER SOURCES	10,921	10,921	10,921	---
GENERAL COMBAT SUPPORT	13,965	13,965	13,965	---
PHYSICAL SECURITY	7,623	7,623	7,623	---
EDUCATION AND TRAINING	7,740	7,740	7,740	---
SPECIAL PURPOSE DETECTORS	3,330	3,330	3,330	---
CML BIO DETECTION WARNING & TRAINING MATERIAL	11,326	11,326	11,326	---
CHEM BIO PROTECTIVE MATERIEL	24,431	24,431	24,431	---
COMMAND AND CONTROL	14,822	14,822	14,822	---
REMOTELY PILOTED VEHICLES	103,140	103,140	96,140	-7,000

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
MILITARY COMPUTER FAMILY	16,522	16,522	---	-16,522
DIV AIR DEFENSE COMMAND AND CONTROL	129,424	69,424	49,424	-80,000
AUTOMATIC TEST EQUIPMENT DEVELOPMENT	15,859	15,859	15,859	---
SINGLE CHANNEL GRD/ABN RADIO SUB ENG	11,221	11,221	11,221	---
MEDICAL CHEMICAL DEFENSE LIFE SPT MAT	12,745	12,745	12,745	---
DRUG AND VACCINE DEVELOPMENT	9,815	9,815	9,815	---
JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM	108,168	108,168	102,168	-6,000
JT INTEROP OF TAC CMD & CONT SYS (JINTACCS)	51,849	44,149	44,149	-7,700
JT CB CONTACT POINT TEST AND ASSESSMENT	2,357	2,357	2,357	---
HV A TI-TANK ASSAULT WPN SYS (TOW)	9,921	9,921	9,921	---
ADV FIELD ARTY TACTICAL DATA SYS	33,112	33,112	33,112	---
CHAPARRAL	17,631	17,631	17,631	---
SAM HAWK/HAWK IMP PROG	18,875	18,875	18,875	---
COMBAT VEHICLE IMPROVEMENT PROGRAM	120,067	120,067	116,067	-4,000
MANEUVER CONTROL SYSTEM (MCS)	25,734	25,734	25,734	---
155MM SELF-PROPELLED HOWITZER IMPROVEMENTS	27,746	27,746	27,746	---
JOINT TACTICAL COMMO PROGRAM (TRI-TAC)	45,433	45,433	45,433	---
EUCOM C3 SYSTEMS	7,539	7,539	7,539	---
CLASSIFIED PROGRAMS	325,432	325,432	291,086	-34,346
CERAMIC VALVES	---	---	860	+860
TOTAL, TACTICAL PROGRAMS	2,329,995	2,251,395	2,034,807	-295,188
INTELLIGENCE & COMMUNICATIONS				
MAPPING AND GEODESY	2,951	2,951	2,951	---
AIRCRAFT AVIONICS	2,102	2,102	2,102	---
MAPPING AND GEODESY	4,586	4,586	4,586	---
NAVSTAR GLOBAL POS SYS (USER EQ)	13,578	13,578	13,578	---
STRATEGIC ARMY COMMUNICATIONS (STARCOM)	1,047	1,047	1,047	---
LONG-HAUL COMMUNICATIONS (DCS)	9,783	9,783	9,783	---
SATCOM GROUND ENVIRONMENT	16,055	16,055	16,055	---
CLASSIFIED PROGRAMS	17,470	17,470	17,470	---
TOTAL, INTELLIGENCE & COMMUNICATIONS	67,572	67,572	67,572	---
DEFENSEWIDE MISSION SUPPORT				
TARGET MISSILES	985	985	985	---
NONSYSTEMS TRAINING DEVICES (NSTD) DEV	6,100	6,100	4,462	-1,638
NON-SYSTEM TNG DEVICES ENGR	34,530	34,530	32,205	-2,325
METEOROLOGICAL EQUIPMENT SYSTEMS	9,617	9,617	9,617	---
TRADOC STUDIES AND ANALYSES	2,864	2,864	---	-2,864
AVIATION ENGINEERING FLIGHT ACTIVITY	7,608	7,608	7,608	---
KWAJALEIN MISSILE RANGE	154,765	154,765	154,765	---
SUPPORT OF DEVELOPMENT TESTING	52,060	52,060	45,500	-6,560
MATERIEL SYSTEMS ANALYSIS	15,388	15,388	15,388	---
EXPLOITATION OF FOREIGN ITEMS	2,902	2,902	2,902	---
SUPPORT OF OPERATIONAL TESTING	60,625	60,625	51,500	-9,125
PROGRAM-WIDE ACTIVITIES	110,059	110,059	90,059	-20,000
INTL COOPERATIVE RESEARCH AND DEV	794	794	794	---
TECHNICAL INFO ACTIVITIES	5,565	5,565	5,565	---
DARCOM MAJOR RANGE/TEST FACIL	350,988	330,988	325,988	-25,000
MUNITIONS-NATO STDZN DOD EFFEC SAFETY STDS	6,785	6,785	6,785	---
DOD HIGH ENERGY LASER SYSTEMS TEST FAC	39,399	39,399	33,000	-6,399

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
PRODUCTIVITY INVESTMENT FUNDING	11,310	11,310	11,310	---
MGT HQ (RESEARCH/DEVELOPMENT)	41,120	41,120	41,120	---
INDUSTRIAL PREPAREDNESS	103,964	83,964	93,964	-10,000
TOTAL, DEFENSEWIDE MISSION SUPPORT	1,017,428	977,428	933,517	-83,911
FORCE DEVELOPMENT INITIATIVES				
TOTAL, FORCE DEVELOPMENT INITIATIVES	---	---	---	---
FUEL ADJUSTMENT	---	-1,600	-1,600	-1,600
CONSULTANTS, STUDIES & ANALYSES	---	---	-2,200	-2,200
TOTAL, RESEARCH DEVELOPMENT TEST + EVAL, ARMY	4,987,100	4,866,900	4,540,125	-446,975

1/ EXCLUDES $760,000 IN SFCP.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

1984 appropriation	$7,559,818,000
1985 budget estimate	9,826,076,000
Committee recommendation	9,300,867,000

The Committee recommends an appropriation of $9,300,867,000 for the Navy's research, development, test, and evaluation programs, a reduction of $525,209,000 to the budget request.

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
Technology base	828,172	802,825	-25,347
Advanced technology development	286,399	211,477	-74,922
Strategic programs	2,380,055	2,325,261	-54,794
Tactical programs	5,223,531	4,884,417	-339,114
Intelligence and communications	421,535	421,535	
Defensewide mission support	686,384	673,852	-12,532
Consultants		-18,500	-18,500

PROGRAMS AND ACTIVITIES

The budget activities and programs funded under this appropriation are discussed below. These activities and programs require annual authorization prior to appropriations pursuant to the provisions of section 412(b) of Public Law 86–149, as amended.

TECHNOLOGY BASE

The recommended program includes $802,825,000 for technology base. This activity finances basic research and exploratory development with the primary objective of increasing the store of fundamental scientific knowledge adaptable to the solution of widely varying future Navy requirements. A strong technology base is needed in order to (1) maintain technological superiority in military weapons, thus offsetting adversary numerical advantages, (2) avoid technological surprise that could cause premature obsolescence of major weapons systems, and (3) lead to acquisition of effective but less costly capabilities by using innovative products built on new technology.

The Committee recommends the following change to the budget estimate:

Defense research sciences.—The Committee recommends an appropriation of $324,048,000 for defense research sciences, the budget request. The recommended level provides a $23,000,000 increase for this program over last year's appropriation.

Undersea target surveillance technology.—The Committee recommends an appropriation of $39,690,000 for undersea surveillance technology, a reduction of $6,000,000 to the budget request. The Committee's action denies a fiscal year 1985 start for the underwater search and inspect project. This project would employ robotic manipulator technology and fiber optics telemetry to expand the capability of existing deep ocean support vehicles. The Committee believes that this project is of lower priority and can be deferred until fiscal year 1986, pending fuller Navy justification.

ADVANCED TECHNOLOGY DEVELOPMENT

The recommended program includes $211,477,000 for advanced technology development. This activity provides for exploration of alternatives and concepts prior to development of specific weapons systems. New technological developments are pursued which are not formally identified to specific operational requirements. This effort includes feasibility demonstrations of innovative new concepts and emphasizes hardware competition and pursuit of alternate solutions to potential military problems. Particular emphasis is placed on demonstrating new concepts to provide improved naval warfare capability in the 1980's and 1990's, including naval air, surface and subsurface vehicle and related propulsion and electronics technology, undersea and ocean surveillance, naval warfare target detection, acquisition and weapon technology and training and personnel technology.

The Committee recommends the following changes to the budget estimate:

Electric drive.—The Committee recommends denial of the budget request of $10,072,000 for electric drive. The President's May budget revisions deleted all funding for this program. The Committee's action does not infer support for termination of the program, but merely denial of fiscal year 1985 funding.

Ship propulsion (Advance).—The Committee recommends an appropriation of $36,703,000 for ship propulsion (advance), a reduction of $11,000,000 to the budget request for the program. The President's May budget revision recommended a reduction of $11,000,000 due to fiscal constraints.

The Navy had not complied with congressional direction to design the RACER system into the baseline DDG–51 propulsion plant. Energy savings which could accrue from the use of RACER are estimated at $2,500,000 per ship. The Committee has an open mind as to whether RACER should be incorporated into the lead DDG–51 class ship. This action is most properly a Navy decision. However, the Navy should at a minimum implement a program which will address the feasibility of incorporating RACER into follow-on DDG–51 class ships.

STRATEGIC PROGRAMS

The recommended program includes $2,325,261,000 for strategic programs. This activity provides for all research and development efforts on strategic offensive, defensive, and control systems. Primary emphasis is on development to assure continued viability of sea-based nuclear second strike capability. The Committee recommends the following changes to Navy strategic programs, in conformance with the authorization act:

Navy strategic communications.—The Committee recommends an appropriation of $116,535,000 for Navy strategic communications. The Committee recommends fully funding the ECX development program. This action is consistent with the Committee's support of the program over the past 2 years. Restrictions placed upon the obligation of funding for the ECX program are outlined in the Senate authorization. The ECX (also called the E–6A), is a modified 707 transport aircraft. It will have far superior range, speed, and payload compared to current EC–130's, which will be of critical importance in performing the strategic communications mission in the Pacific. The Committee notes that the Office of the Secretary of Defense reconsidered the ECX issue after initially recommending program termination during the May budget revision, and concluded that "it may offer greater mission flexibility in the near term and may have potential for system growth in the long term." The Committee hopes that this decision will lead to stabilization of the program, and that the Navy will make every effort to keep the program on schedule and affordable.

Strategic laser communications.—The Committee recommends an appropriation of $2,500,000 for strategic laser communications, an unbudgeted program. These additional funds will be used by the Navy, pursuant to congressional authorization, for the purpose of accelerating the test and evaluation of the Blue-Green Laser Submarine Communications Program.

Trident II.—The Committee recommends an appropriation of $2,075,113,000 for the Trident II submarine-launched ballistic missile, a reduction of $16,000,000 to the budget request. The fiscal year 1985 Navy request continues the full-scale engineering development of the Trident II missile. The Trident II will be a significant improvement over the Trident I in such characteristics as accuracy, hard-target kill capability and range.

The May budget revision proposed a reduction of $15,000,000 in the Trident II R&D program to reduce funding for the penetration aids effort, which includes work on evader MARVS. Because of recent information regarding Soviet ABM capabilities, the Committee believes that it is necessary to fund research on Trident II penetration aids at a level higher than that proposed in the May budget revision. The Committee recommends a reduction of $16,000,000 for Trident II, which will permit Trident II penetration aids research to be funded at the $14,000,000 level in fiscal year 1985. However, the Committee would give sympathetic consideration to a Navy reprogramming to increase evader MARV funding back to the budgeted level.

TACTICAL PROGRAMS

The recommended program includes $4,884,417,000 for tactical programs. This activity provides for advanced, engineering, and operational systems development efforts on all aspects related to all conflict levels of tactical warfare, with emphasis on sea control, Navy and Marine Corps air operations, Marine Corps amphibious operations, and related combat support. This includes developments to improve the Department of the Navy's capabilities in the combat missions of ocean surface surveillance and targeting, undersea surveillance, antisurface (including interdiction and air defense suppression), antiair (including air superiority), antisubmarine, amphibious and special warfare, and naval mine warfare, plus improved capability in the related support missions of air and surface mobility, logistics/resupply/transfer, personnel support, early warning, communications, command and control, tactical intelligence and reconnaissance, navigation, identification, position locating, traffic control, electronic warfare, physical security and developments related to major multimission naval vehicles.

The Committee recommends the following changes to the budget estimate:

A–6E improvements.—The Committee recommends an appropriation of $69,633,000 for A–6E improvements, an increase of $50,000,000 to the budget request. This authorized add of $50,000,000 will permit continuation of the A–6 upgrade started last year at the funding level required to keep the program on schedule.

While supportive of the A–6 upgrade, the Committee must note that there has been a large amount of uncoordination and instability in the initial fiscal planning for this program. The A–6 Upgrade Program began the year with a $100,000,000 shortfall identified in the fiscal year 1985 Navy budget, which the Navy proposed to make up for through reprogrammings from the VTX, CH–53E, and AV–8B programs. The program was not fully funded at the start, and additional authorization was required to initiate the comprehensive upgrade for the A–6, which includes a new engine, new avionics, and a new radar.

Moreover, the Navy has now informed the Committee of its plans to initiate a new advanced tactical aircraft [ATA] as a fiscal year 1986 program start. This action, along with other changes to the A–6 Program, will decrease the Navy's A–6 upgrade requirement to 168 aircraft. The program presented to the Committee at the time of its agreement to fund the A–6 upgrade last year did not include the ATA, and assumed a higher procurement rate for upgraded A–6's.

The Committee is not convinced that the Navy's out-year planning for advanced attack aircraft has yet stabilized. The Navy should provide the Committee with a firm procurement profile and fiscal plan for both the A–6 upgrade and a new advanced tactical attack aircraft before submitting the fiscal year 1986 budget request.

Mine development.—The Committee recommends an appropriation of $1,000,000 for mine development, an unbudgeted item. Last year the Committee provided $4,000,000 for this program, and directed the Navy to submit a mine warfare master plan that addressed the full scope of our mine warfare requirements. Included in the mine warefare master plan was a classified analysis of current Navy mine inventories, and projected mine development plans.

In the view of the Committee, both the Navy and the Office of the Secretary of Defense have not given mine programs sufficient management attention. Neither the Navy or OSD added funds to the fiscal year 1985 budget to continue funding this program, showing that no firm plan exists to develop a replacement for Captor. Information provided to the Committee by the Navy indicated that the $4,000,000 provided last year for mine development would be fully expended by midyear fiscal year 1985, leaving the Navy without an ongoing R&D program for a next generation mine. Moreover, out-year plans for a next generation mine are not at all aggressive, in spite of the fact that fiscal year 1985 will in all probability be the last year of the Captor buy.

Therefore, the Committee recommends funding the Senate authorized amount of $1,000,000 to continue the Navy mine development program. OSD and the Navy should report back to the Committee no later than January 1, 1985, on Defense Department plans to expend these funds and on the out-year funding profile for the mine development program.

Aircraft propulsion.—The Committee recommends an appropriation of $32,000,000 for aircraft propulsion (engine), a reduction of $3,822,000 to the budget request. The Navy added $16,360,000 to this program above last year's projection for fiscal year 1985 to develop a new, derivative engine for E–2C aircraft, the T–56–A–427.

The Navy contends that airframe and avionics improvements will increase the gross weight of the E–2C to 54,000 pounds by 1990, an increase of 1,500 over its present weight. Although the Committee notes that the Navy has examined the entire range of alternatives to a reengining program, including weight reduction and stabilization, other important issues surrounding the E–2C Program have not been resolved. These include whether to develop an E–2C replacement, how long the E–2C production line will be kept open and whether the new engine would be retrofitted into existing E–2C's.

The Committee will support the E–2C derivative engine development effort (to include consideration of reprogramming) after the Navy reports back to the Committee on the unresolved issues identified above.

AAM systems engineering.—The Committee recommends denial of a fiscal year 1985 new start, air-to-air missile systems engineering, and directs that the Navy defer all efforts to product improve the AIM–9M Sidewinder.

The Navy proposed to initiate an AIM–9M Sidewinder product improvement program in fiscal year 1985. This program would upgrade the AIM–9M to give it increased head-on acquisition range, increased background discrimination and improved counter-countermeasures capability. The development cost for the PIP is as much as $100,000,000. The proposed improvements would be incorporated into Sidewinder for the early 1990's.

However, the Navy had not made it clear to the Committee that it intends to keep the Sidewinder production line open into the early 1990's. Moreover, the Navy is committed with the Air Force to participate in the joint NATO Advanced Short Range Air-to-Air Missile Program [ASRAAM]. Funding will be requested in the near future to establish ASRAAM Program offices in the United States and Europe.

Although the Committee has generally supported the concept of product improvements to existing weapons systems, it must question whether initiating the AIM-9M PIP meets a valid requirement. The Sidewinder Production Program is scheduled to wind down in the early 1990's, and ASRAAM will be entering the inventory in the mid-1990's. The initiation of yet another improvement to Sidewinder exhibits a lack of confidence in NATO ASRAAM development.

The Committee is deferring AIM-9M product improvement funding for fiscal year 1985. Should the Navy develop firm out-year plans to continue to procure Sidewinders, the Committee would be willing to reconsider the issue in fiscal year 1986.

MK 92 fire control system.—The Committee recommends an appropriation of $14,941,000 for the MK 92 fire control system, a reduction of $4,354,000 to the budget request. The May budget revision recommended taking this reduction, thereby canceling the phase III Upgrade Program. Subsequent correspondence to Congress recommended that the reduction not be taken so that other modifications to the MK 92 fire control system can be evaluated.

Recommended bill language included in the shipbuilding account relieves the Navy of previous congressional direction instructing the installation of the MK 92 upgrade aboard the fiscal year 1984 frigate.

Should the Navy decide that development of modifications to the MK 92 fire control system is warranted, additional funds should be proposed for reprogramming.

Aircraft equipment R/M program.—The Committee recommends an appropriation of $7,597,000 for the aircraft equipment reliability and maintainability program, a reduction of $858,000 to the budget request. This action denies a Navy effort to increase the program scope to include the aircraft test general program.

Penguin missile.—The Committee does not recommend an appropriation for the Penguin missile, an unbudgeted item. The authorization added $14,600,000 to fund this Norwegian antiship missile, which uses an infrared seeker. The Navy envisions deployment of the Penguin on SH-60 LAMPS helicopters. These funds are required to design and test Penguin with a multipurpose pylon on the SH-60 as an integrated system.

The Committee agrees that the growing Soviet antiship cruise missile threat requires evaluation of the Penguin missile/LAMPS system as a potential counter. However, the Committee notes that the total cost delta for the 272 Penguin missile production/LAMPS integration effort is $274,500,000—more than $1,000,000 per missile. The Committee encourages the Navy to seek cost reduction measures to make this program more affordable.

USMC low-cost FLIR.—The Committee recommends an appropriation of $23,000,000 for the Marine Corps low-cost forward looking infrared system, an unbudgeted initiative. When used with night vision goggles, a low-cost FLIR will give Marine Corps aircraft excellent night attack potential at low-unit costs (estimated to be less than $500,000).

The low-cost FLIR would be a candidate for installation on Marine Corps AV-8B aircraft.

Intelligence systems.—The Committee recommends an appropriation of $1,073,000 for intelligence systems, a reduction of $1,500,000 to the budget request. This reduction was recommended in the President's May budget revisions, and will defer lower priority product improvement efforts in intelligence systems to later years.

Unguided conventional air-launched weapons.—The Committee recommends an appropriation of $6,207,000 for unguided conventional air-launched weapons, a reduction of $2,000,000 to the budget request. This reduction was recommended in the President's May budget revisions, and will defer lower priority rocket improvements to later years.

SH-2F Helicopter/T-700 engine program.—The Committee recommends an appropriation of $10,000,000 to continue test and evaluation of one SH-2F prototype aircraft modified with T-700 engines. The purpose of this test program is to determine whether the T-700 engine would significantly improve the performance, fuel efficiency, and reliability of the aircraft as compared to its capabilities with the current T-58 engines.

The prototype program is scheduled to be completed by March 1985. The Navy should, therefore, provide the Committee with its findings and recommendations by April 1985. Included in that report should be a recommendation on the desirability of proceeding to qualification of the T-700 on the SH-2F and the additional funding needed to accomplish that objective.

Marine Corps assault vehicles.—The Committee recommends an appropriation of $32,553,000 for Marine Corps assault vehicles, a reduction of $22,000,000 to the budget request. This program funds the development of two classes of Marine Corps assault vehicles—the mobile protected guns system (MPGS), and the LVT-X (landing vehicle tracked-experimental).

The Marine Corps budgeted $20,175,000 for the mobile protected gun system in fiscal year 1985. The MPGS is a helicopter-transportable direct fire support weapon system weighing less than 16 tons. It is armor protected, tracked or wheeled, and will use a 75mm gun. The Marine Corps is investigating the long-term application of the hypervelocity missile as an MPGS weapon.

The May budget revision reduced funding for the MPGS by $12,000,000. The Committee agrees to this reduction, but directs the Marine Corps to report back to the Committee on what milestones will be affected by this reduction in funding.

The Committee has learned that the Marine Corps has recently delayed the contract award for the LVT-X development program. This delay reduced fiscal year 1985 funding requirements by $10,000,000, leaving the program with a total of $24,378,000 for fiscal year 1985.

AV-8B (engineering).—The Committee recommends an appropriation of $70,447,000 for AV-8B (engineering), the budget request. This program funds the continued development of the two-seat TAV-8B trainer and completion of the AV-8B engineering development program. The entire budget request is required if there is to be no slip in the TAV-8B trainer program. Any delay in the TAV-8B trainer program will result in aircrews transitioning into the AV-8B without the benefit of a two-seat trainer at a rate of approximately 120 per year. The TAV-8B program has a direct impact on operational training and aviation safety.

F/A-18 squadrons.—The Committee recommends the addition of $15,000,000 to the F/A-18 squadrons program to support the development of an austere all-weather attack capability for the F/A-18. The Committee understands that the cost estimates to develop this capability for the F/A-18 range from $40,000,000 to $230,000,000. The Committee directs that prior to obligating funds for this effort, the Navy provide the House and Senate Appropriations Committees with a report detailing the projected scope, cost, and schedule for the program. The Committee understands that it is the intention of the Marine Corps to replace A-6E Intruders with two-seat F/A-18 Hornets.

HARM improvement.—The Committee recommends an appropriation of $5,000,000 for the HARM improvement program, a reduction of $14,569,000 to the budget request. The funds provided for the program are to be used only for the correction of deficiencies and initiation of improvements to the HARM avionics computer. These corrections and improvements will help to reduce the cost of HARM in the near future.

The Committee does not approve fiscal year 1985 funding for the low-cost antiradiation seeker in the Navy budget. Funding for the low-cost seeker has been approved in the Air Force RDT&E program. The Committee will be willing to entertain a reprogramming action for the low-cost seeker once the Department of the Navy certifies in writing that the low-cost seeker meets HARM requirements, that cost-benefit analysis on the LCS quantifies actual cost savings in the HARM program, and that the development of the low-cost seeker can be finished prior to the completion of the HARM procurement program.

Stratified charge rotary engine.—The Committee recommends an increase of $6,000,000 for stratified charge rotary engine development. There was no budget request for this program.

The Marine Corps' program to develop a rotary engine for assault vehicles was terminated in fiscal year 1983 because of technical problems. The Committee believes that earlier problems have been overcome and that a high potential exists for achieving significant size and weight savings in future Army and Marine Corps vehicles and Navy shipboard installations. These developments along with the potential effectiveness of the rotary engine in a series of future systems favors a renewed development effort.

The Committee encourages the Navy to consider the rotary engine for the Marine Corps' follow-on assault amphibian vehicle.

INTELLIGENCE AND COMMUNICATIONS

The recommended program includes $421,535,000 for intelligence and communications. This activity provides for advanced, full scale engineering development and operational system development efforts in intelligence, worldwide communications systems, and other defensewide mission support, including meteorological activities.

The Committee recommends no additional changes from the authorization report, and has fully funded the Navy intelligence and communications budget request.

DEFENSEWIDE MISSION SUPPORT

The recommended program includes $673,852,000 for defensewide mission support. This activity provides for efforts directed toward support of installations or operations required for use in general research and development and not allocable to specific missions. Included are technical integration efforts, technical information activities, major test ranges, test facilities and general test instrumentation, target development, international cooperative R&D, and other R&D support.

The Committee recommends the following reductions in Navy defensewide mission support programs:

Test and evaluation.—The Committee recommends an appropriation of $288,351,000 for test and evaluation support, the budget request. This program funds four major Navy test centers—Pacific Missile Test Center at Point Mugu, CA; Naval Air Test Center at Patuxent River, MD; Naval Air Propulsion Center at Trenton, NJ; and Naval Weapon Center Ranges, China Lake, CA.

The proposed fiscal year 1985 budget for these test centers is approximately 9 percent more than the fiscal year 1984 appropriation. The vast majority of the increase is proposed for Point Mugu and China Lake.

Defense meteorological satellite program [DMSP].—The Committee recommends an appropriation of $21,482,000 for the defense meteorological satellite program, the budget request. The original budget request fully funds development of Navy remote ocean sensing systems [N-ROSS]. Additional funds are required for the program to permit the Navy to reimburse the National Oceanic and Atmospheric Administration for the cost of the NOAA-D spacecraft. The Navy left this as an unbudgeted requirement in fiscal year 1985. Should the additional funds not be provided, the N-ROSS project may slip 1 to 2 years. The Navy will then be unable to meet its global mission, and NOAA cannot meet its hemispheric requirement for oceanographic data without N-ROSS. The Committee would be willing to entertain a reprogramming to support this requirement.

Waterside security.—The Committee recommends an addition of $2,000,000 for waterside security. This allowance is discussed in the Navy's Other Procurement section of the report.

GENERAL REDUCTION

General reduction/consultants.—The Committee recommends against taking any authorized general reduction to the Navy RDT&E account. The Committee has preferred to distribute reductions against specific Navy R&D programs and not fund all authorized add-ons.

Additionally, the Committee recommends taking the reduction of $18,500,000 made in the President's May budget revisions against Navy consultants, studies, and analyses. This reduction was not taken by the authorization committees.

ITEMS OF SPECIAL INTEREST, NAVY

National bone marrow registry.—The Committee recommends that the Navy allocate $1,040,000 of its fiscal year 1985 RDT&E appropriation for the purpose of establishing a national bone marrow registry within its Medical Research and Development Command. The Department of the Navy has a very real interest in this area since bone marrow transplanation can be an effective cure for normally fatal injuries resulting from nuclear accident or attack. The registry will permit thousands of persons in this country with treatable cases of leukemia and aplastic anemia to find donors for bone marrow transplants. In addition to the Navy's efforts, national universities and hospitals will be able to utilize the registry.

C/MH-53 helicopter.—The Committee continues to believe there are important advantages to be realized from development of a composite main rotor blade for the C/MH-53E helicopter. While recognizing these potential benefits, however, the Navy has deferred any development program. Dramatic reductions in maintenance costs experienced with the introduction of a composite rotor on the CH-46E helicopter provide, in the Committee's judgment, an excellent case for applying the technology to the C/MH-53E. Accordingly, the Committee again urges the Navy to allocate up to $2,000,000 to initiate the composite rotor development.

Navy fighter engines.—Based on the recent Air Force fighter engine competition, the Navy has elected to replace TF-30 with F-110 engines on F-14 production aircraft beginning in fiscal year 1987. The use of the newer F-110 engine is expected to achieve marked improvements in F-14 operations.

The benefits of competition, already demonstrated by the Air Force program, must be preserved as the military services continue to develop more advanced engines. Should the Navy pursue a program to reengine existing F-14 aircraft—a major undertaking involving a multibillion dollar commitment—full consideration must be given to maintaining competition. Advanced derivative engines now under development by the Air Force and supported by the Committee should produce vastly increased thrust options by 1989. When such options are available, the Committee will insist on competitive procurement, including any F-14 retrofit program funded by the Congress.

Marine Corps light helicopters.—There is a continuing concern in the Committee over the Marine Corps' requirements for modernizing its light helicopter squadrons. In response to the Committee's inquiry last year, the Marine Commandant outlined plans to continue utilizing the UH–1N "well into the 1990's," hopefully augmented by the return of Navy UH–1N's. Not until the mid- to late-1990's will the Marines address the modernization requirement by considering marinized versions of the Army's UH–60 Black Hawk and the advanced technology light helicopter (LHX) now in preliminary development. This strategy permits the Committee a rare opportunity to criticize a military service for penny-pinching.

The Committee still believes the Marine Corps must begin now to address the light helicopter modernization requirement and to evaluate the highly capable UH–60 as a cost-effective choice for the near term. The Corps should arrange immediately to borrow from the Army a limited number of UH–60A's for operational test and evaluation and report the results to the authorization and appropriations committees of the House and Senate by June 1, 1985. Advanced rotor craft can be considered in the 1990's when development has matured.

Lighter-than-air technology.—The Senate included $5,000,000 in the Omnibus Defense Authorization Act, 1985 to explore the potential benefits of lighter-than-air technology through the development of a prototype surveillance airship. There was no request for this item in the President's budget and the Committee has included no funds for the activity.

However, the Committee is concerned about the growing threat to U.S. naval surface forces and recognizes the potential cost-effective options of utilizing long-endurance airships equipped with surveillance radars. Moreover, increasing domestic production capability will enhance opportunities for numerous military and nonmilitary applications related to domestic security, transportation, and communications.

Therefore, the Committee recommends the Navy initiate preliminary plans to assess the feasibility and benefits of using lighter-than-air vehicles for surveillance and fleet defense and report to this Committee by June 30, 1985. The report should address projected system acquisition costs in a yearly funding profile. The Committee will consider a reprogramming proposal if appropriate after submission of the report.

SM–II (N).—In connection with the revised budget submission deleting funds for the SM–II (N) program, the Chief of Naval Operations notified the Committee that the Navy has concluded that it will pursue a course which will provide the Navy with a nuclear SM–II in AEGIS/VLS ships. The Committee supports the SM–II program, and in view of the Navy's support of the SM–II (N) requirement, would entertain a reprogramming proposal to fund the program in fiscal year 1985.

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
RESEARCH DEVELOPMENT TEST + EVAL, NAVY				
TECHNOLOGY BASE				
IN-HOUSE INDEPEND LAB RES	25,673	25,673	25,673	---
DEFENSE RESEARCH SCIENCES	324,048	324,048	324,048	---
TACT DIRECTED ENERGY TECH	10,431	10,431	10,431	---
AIRCRAFT TECHNOLOGY	25,705	25,705	25,705	---
MISSILE PROPULSION TECH	10,360	10,360	10,360	---
SURF/AEROSPACE WPNRY TECH	29,960	29,960	27,000	-2,960
NUCLEAR PROPULSION TECH	48,263	48,263	48,263	---
SHIP AND SUBMARINE TECH	30,155	30,155	30,155	---
UNDERSEA WARFAR WPNRY TECH	35,483	35,483	35,483	---
U/S TARGET SURV TECH	45,690	45,690	39,690	-6,000
SURF/AEROSP TGT SURV TECH	36,387	36,387	32,000	-4,387
COMMAND AND CONTROL TECH	30,878	30,878	30,878	---
COUNTERMEASURES TECH	30,829	30,829	20,829	-10,000
HUMAN FACTORS & SIM TECH	7,967	7,967	6,967	-1,000
BIOMEDICAL TECH	8,829	8,829	8,829	---
OCEAN AND ATMOS SUPT TECH	24,046	24,046	24,046	---
LOGISTICS TECH	14,756	14,756	14,756	---
MATERIALS TECH	35,960	35,960	35,960	---
ELEX DEVICE TECH	28,005	28,005	28,005	---
PERSONNEL & TRNG TECH	6,456	6,456	5,456	-1,000
CHEM/BIOL/&RADIOL DEF TECH	4,939	4,939	4,939	---
LAB INDEP EXPLORATORY DEV	13,352	13,352	13,352	---
TOTAL, TECHNOLOGY BASE	828,172	828,172	802,825	-25,347
ADVANCE TECHNOLOGY DEVELOPMENT				
ENVIRONMENTAL APPLICATIONS	8,287	6,287	6,287	-2,000
ADV A/C PROPUL SYS	9,040	5,040	5,040	-4,000
ABN-LIFE SUPPORT SYS	1,125	1,125	1,125	---
ADV A/C SUBSYSTEMS	6,780	4,780	4,780	-2,000
ERASE SYS TECHNOLOGY	4,498	4,498	4,498	---
A/A MSL TECH DEMO	2,850	2,850	2,850	---
SHIP PROP SYS (ADV)	47,703	36,703	36,703	-11,000
ADV COMPUTER TECH	11,188	11,188	11,188	---
ELECTRIC DRIVE	10,072	---	---	-10,072
CONVENTIONAL MUNITIONS	14,323	12,323	10,323	-4,000
JOINT SERV EOD DEV (ADV)	7,979	6,979	6,979	-1,000
HUMAN FACTORS ENG DEVEL	1,844	1,844	1,844	---
OCEANOG INSTRUMENTATN DEV	5,867	3,367	3,367	-2,500
MEDICAL DEVELOPMENT (ADV)	12,785	10,785	10,785	-2,000
MNPWR CONTROL SYST DEV	5,020	2,520	2,520	-2,500
ADV MARINE BIOLOGICAL SYS	5,186	4,686	4,686	-500
OCEAN ENG TECH DEVELOP	18,876	16,876	16,876	-2,000
EDUCATION & TRAINING	5,008	3,508	3,508	-1,500
ENVIRONMENTAL PROTECTION	10,517	8,017	8,017	-2,500
NAVAL SPECIAL WARFARE	9,224	8,224	9,224	---
ADV TECH FOR LOGISTIC INFO	7,950	4,950	---	-7,950
ADV MANPOWER TRAINING SYS	2,988	2,960	2,988	---
TRAINING DEVICE TECH	8,790	7,290	7,290	-1,500
MANUFACTURING TECH	68,499	50,599	50,599	-17,900
TOTAL, ADVANCE TECHNOLOGY DEVELOPMENT	286,399	217,399	211,477	-74,922

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
STRATEGIC PROGRAMS				
TRIDENT II	2,091,113	2,076,113	2,075,113	-16,000
STRATEGIC TECH SUPPORT	8,708	6,371	6,371	-2,337
FBM SYSTEM	40,391	35,391	32,500	-7,891
SSBN SECURITY PROGRAM	48,862	43,862	43,862	-5,000
TRIDENT I	41,199	41,199	30,000	-11,199
ELF COMMUNICATIONS	26,396	26,396	26,396	---
NAVY STRATEGIC COMM	106,535	106,535	106,535	---
NAV SPASUR	517	517	517	---
MEECN	1,467	1,467	1,467	---
WIS MODERNIZATION	14,867	---	---	-14,867
SUBMARINE LASER COMM	---	---	2,500	+2,500
TOTAL, STRATEGIC PROGRAMS	2,380,055	2,337,851	2,325,261	-54,794
TACTICAL PROGRAMS				
ABN ELECTRONIC WARFARE EQ	67,335	67,335	64,335	-3,000
VTX-TS	113,420	113,420	68,420	-45,000
CV ASW MODULE	5,289	5,289	4,289	-1,000
AIR ASW	2,384	2,384	1,000	-1,384
JVX	198,495	198,495	188,495	-10,000
A-6E IMPROV	19,633	19,633	69,633	+50,000
ACOUS SEARCH SENSORS (ADV)	1,922	1,922	1,922	---
ABN MINE COUNTERMEASURES	15,726	15,726	15,726	---
TAC AIR RECON	13,277	10,177	10,177	-3,100
A/C SURVIV & VULNER	29,493	22,493	22,493	-7,000
IIR MAVERICK	1,979	1,979	1,979	---
RETRACT YELLOW	12,465	12,465	12,465	---
ADV SURF/AIR MSSLE(ASAM)	9,040	4,040	4,040	-5,000
SUBMARINE ASW STDOFF WPN	61,659	61,659	51,659	-10,000
BGAAWC	12,991	12,991	10,500	-2,491
SURFACE MCM	30,276	30,276	29,276	-1,000
SUB SONAR DEVEL (ADV)	31,252	31,252	21,344	-9,908
SURFACE SHIP TORP DEF	27,887	27,887	27,887	---
SHPBD INFO TRANSFER SYS	4,410	4,410	4,410	---
SHIPBD SYS COMP DEV	15,486	15,486	15,486	---
SHIPBOARD DAMAGE CONTROL	20,419	20,419	18,419	-2,000
RADAR SURVEILLANCE EQUIP	2,969	2,969	2,969	---
ADV COMMAND DATA SYS	6,014	6,014	6,014	---
ADV SUB SUPT EQUIP PROG	12,375	12,375	12,375	---
PILOT FISH	119,231	119,231	119,231	---
NON ACOUSTIC ASW	22,408	22,408	22,408	---
ADV ASW TARGET	16,011	16,011	16,011	---
SHIP SYS ENGR STDS	4,834	4,834	4,834	---
RETRACT JUNIPER	1,373	1,373	1,373	---
RADIOLOGICAL CONTROL	1,674	1,674	1,674	---
LINK DOGWOOD	22,753	22,753	19,753	-3,000
SURFACE ASW	20,863	20,863	17,863	-3,000
WIDE APERTURE ARRAY(ADV)	11,671	11,671	11,671	---
SUBMARINES (ADV)	153,790	153,790	153,790	---
SUB TAC W/F SYS (ADV)	21,736	21,736	21,736	---
SHIP DEVELOPMENT (ADV)	16,103	16,103	16,103	---
SURF SHIP NAVIG SYS	2,959	2,959	---	-2,959
AMPHIB ASSLT CRAFT	4,571	---	---	-4,571
ATTACK SUBMARINE DEV	24,121	24,121	22,121	-2,000

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
ADV NUC REACT COMP SYS DEV	71,424	71,424	71,424	---
SHIBD PHYSICAL SECURITY	5,138	5,138	5,138	---
CHALK EAGLE	51,912	51,912	51,912	---
A4W/A1G NUC PROP PLNT	5,755	5,755	5,755	---
COMBAT SYSTEM INTEGRATION	21,635	21,635	21,635	---
DDG-51	124,585	119,585	119,585	-5,000
JOINT ADV SYS	137,009	137,009	123,009	-14,000
MINE DEVELOPMENT	---	---	1,000	+1,000
MC ASSAULT VEHICLES	54,553	42,553	32,553	-22,000
TAC NUC DEVELOPMENT	7,846	7,846	7,846	---
GRD COMBAT/SUPP ARMS SYS	5,181	5,181	5,181	---
OCEAN ENGR SYS DEV	2,296	2,296	2,296	---
LOGISTICS	937	937	937	---
ANTI SUB W/F SIGN PROC	9,381	9,381	9,381	---
FLEET TAC D&E PROGRAM	6,195	6,195	6,195	---
COMMAND & CONTROL SYS(ADV)	27,384	27,384	15,000	-12,384
CONT OFFLOAD & TRNSFR SYS	1,522	1,522	1,522	---
NAVY ENERGY PROGRAM (ADV)	20,075	20,075	20,075	---
FACILITIES IMPROV	10,477	10,477	8,977	-1,500
MERSHIP NAV AUX PROG	5,927	5,927	5,927	---
COMBAT SERVICES SUP (ADV)	4,678	4,678	4,678	---
INTELL/ELEC WARFARE SYS	8,231	8,231	8,231	---
CHALK CORAL	5,440	5,440	5,440	---
STRIKE WARFARE	594	594	594	---
LINK HAZEL	43,000	43,000	43,000	---
ITSS	15,208	15,208	15,208	---
ASW SURVEILLANCE	9,247	9,247	9,247	---
LRAP	10,576	10,576	10,576	---
SPECIAL PROCESSES	69,519	69,519	69,519	---
RDSS	11,766	11,766	10,766	-1,000
AVIONICS DEV	15,033	15,033	12,033	-3,000
IFF SYS DEV	15,213	15,213	12,000	-3,213
HELICOPTER DEVELOPMENT	16,518	16,518	14,518	-2,000
AV8B (ENG)	70,447	46,147	70,447	---
SUPPORT EQUIPMENT	21,206	19,706	17,206	-4,000
S-3 WPN SYS IMP S 3( )	42,102	42,102	37,102	-5,000
ENVIRONMENTAL SYSTEMS	2,498	2,498	2,498	---
ABN ASW DEVELOPMENTS	24,346	21,346	21,346	-3,000
A/C IR SIGN SUPPRESSION	9,290	9,290	6,290	-3,000
P-3 MODERNIZATION PROG	37,388	34,588	30,000	-7,388
ABN EW ENG	49,442	49,442	45,442	-4,000
ASPJ	40,560	40,560	40,560	---
CV ASW HELO	44,516	32,516	25,016	-19,500
A/C PROPULSION (ENG)	35,822	35,822	32,000	-3,822
C/MH-53E	14,560	14,560	14,560	---
ACOUSTIC SRCH SENSRS (ENG)	31,240	31,240	26,240	-5,000
LIFE SUPPORT EQUIP	13,872	13,872	13,872	---
AWG-9 UPDATE	7,926	---	---	-7,926
A/C ENGINES COMP IMP PROG	90,011	90,011	89,011	-1,000
MK92 FCS UPGRADE	19,295	19,295	14,941	-4,354
AEGIS AREA AIR DEF	14,154	14,154	14,154	---
CG-47 PRODUCT IMPROVEMENT	55,593	50,593	49,593	-6,000
LINK ASH	19,729	19,729	17,229	-2,500
AMRAAM	35,685	31,331	20,685	-15,000
S/L WPNRY SHIP SYSTEMS	1,395	1,395	1,395	---
VERTICAL LAUNCHING SYS	43,850	43,850	43,850	---
AAM SYSTEMS ENGINEERING	3,888	3,888	---	-3,888
VLS ASROC	26,603	26,603	26,603	---

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
CIWS (PHALANX)	3,174	3,174	3,174	---
NATO SEA SPARROW	8,398	8,398	8,398	---
SM-2 (N)	25,679	---	---	-25,679
STANDARD MSL IMPROVEMENTS	41,282	41,282	41,282	---
TOMAHAWK	81,501	81,501	75,101	-6,400
5'' ROLLING AIR FRAME MSLE	6,544	6,544	6,544	---
SSN-688 VLS	29,449	29,449	29,449	---
HELLFIRE	2,401	2,401	2,401	---
NEW THREAT UPGRADE	51,783	51,783	48,783	-3,000
SUBMARINE COMM	4,185	4,185	4,185	---
SUB SONAR DEVELOP (ENG)	40,111	40,111	40,111	---
AIR CONTROL ENG	23,032	23,032	23,032	---
BR/CW COUNTERMEASURES	7,119	7,119	7,119	---
EMSP	58,614	58,614	58,614	---
RADAR SURVEILLANCE EQUIP	11,714	11,714	11,714	---
COMMUNICATIONS SYS	7,991	7,991	6,991	-1,000
INTELLIGENCE SYSTEMS	2,573	1,073	1,073	-1,500
SUB SUPT EQUIP PROG (ENG)	7,397	7,397	7,397	---
SHIP SURVIVABILITY	6,288	6,288	6,288	---
CIC CONVERSION	30,541	30,541	30,541	---
WIDE APERTURE ARRAY(ENG)	14,664	14,664	14,664	---
SUBACS (ENG)	171,216	171,216	171,216	---
SURFACE E/W	8,055	8,055	8,055	---
SUB TAC W/F SYSTS (ENG)	41,894	41,894	41,894	---
SHPBD PHYS SECURITY (ENG)	2,349	2,349	2,349	---
SHIP SUBSYS DEV/LBTS	101,275	96,275	96,275	-5,000
NATO SEA GNAT	3,733	3,733	3,733	---
SHPBD EW IMPROV	49,819	49,819	44,819	-5,000
TACT EMBEDDED COMP PROG	9,498	9,498	9,498	---
AN/SQS-53C	50,893	50,893	50,893	---
LINK BIRCH	7,522	7,522	7,522	---
MINE DEVEL (ENG)	18,841	13,841	13,841	-5,000
NAVAL GUNNERY IMPROVEMENT	4,643	4,643	4,643	---
UNGUIDED CONVENT A/L WPNS	8,207	6,207	6,207	-2,000
C/W WEAPONS	2,134	2,134	2,134	---
SAL GP/EO SENS DEVEL	45,511	45,511	45,511	---
BOMB FUZE IMPROV	6,852	6,852	5,852	-1,000
ALWT (ENG)	147,316	147,316	147,316	---
JOINT SERV EOD DEV (ENG)	4,034	4,034	4,034	---
MC ASSAULT VEHICLES	11,935	11,935	9,435	-2,500
GRD COMBAT/SUP ARMS SYS	3,553	3,553	3,553	---
MK 48 ADCAP (ENG)	127,551	127,551	127,551	---
CHALK BANYAM	10,657	10,657	5,157	-5,500
NAVY ENERGY PROGRAM (ENG)	11,180	11,180	11,180	---
COMMAND & CONTROL SYS(ENG)	53,558	53,558	50,558	-3,000
AIR W/F TRAINING DEV	3,125	3,125	3,125	---
SURFACE W/F TRAINING DEV	31,834	31,834	26,834	-5,000
SUBMARINE W/F TRAINING DEV	486	486	486	---
COMBAT SERVICES SUPP	3,361	3,361	3,361	---
INTELL/ELECT W/F SYS	5,647	5,647	5,647	---
COMMAND/CONT/COMM SYS	32,771	32,771	29,771	-3,000
TAC AIR OPER CENTRAL 85	6,056	6,056	6,056	---
REGIONAL TACTICAL SURV	63,666	31,966	31,966	-31,700
INTELLIGENCE (ENG)	9,891	9,891	9,891	---
MEDICAL DEV (ENG)	2,471	2,471	2,471	---
JINTACCS	16,263	16,263	11,763	-4,500
JINTACCS MC	5,229	5,229	5,229	---
FLT TACT D&E	16,353	14,833	14,833	-1,520

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
ELECTROMAG SPECTRUM MNGMT	4,118	4,118	4,118	---
MANAG & TECH SUPPORT	9,584	9,584	9,584	---
C2 SURV/RECONN SPT	4,815	4,815	4,815	---
MC TAC EXPLOIT NAT CAP	427	427	427	---
A6 SQUADRONS	17,942	17,942	17,942	---
F/A-18 SQUADRONS	19,798	19,798	34,798	+15,000
EARLY WARNING ACFT SQDNS	39,149	39,149	36,149	-3,000
AVIATION SUPPORT CVW	3,021	3,021	3,021	---
FLT TELECOM (TAC)	75,346	70,346	70,346	-5,000
SUBMARINES	5,443	5,443	5,443	---
UNDERSEAS SURVEILLANCE SYS	29,725	28,225	28,225	-1,500
SURTASS	5,751	5,751	3,751	-2,000
SPECIAL PROJECTS	14,886	14,886	14,886	---
NAVY COVER & DECEPT PROG	24,923	24,923	24,923	---
ELECTRONIC WARFARE SPT	14,254	14,254	13,254	-1,000
COUNTER C3 DEV	30,189	30,189	28,189	-2,000
HARM IMPROVEMENT	19,569	19,569	5,000	-14,569
JTIDS	141,699	141,699	136,699	-5,000
ASW COMBAT SYS INTEG	12,247	12,247	12,247	---
ACFT EQ REL/MAINT PROG	8,455	8,455	7,597	-858
SUBMARINE SILENCING	31,657	31,657	29,657	-2,000
LAB FLEET SUPPORT	6,414	6,414	6,414	---
F-14 A	293,975	293,975	278,975	-15,000
TACTICAL INTELL PROC SUP	2,037	2,037	2,037	---
EW COUNTER RESPONSE	44,111	44,111	40,111	-4,000
OPERATIONAL REACTOR DEV	12,861	12,861	12,861	---
MARINE CORPS TELECOM	5,191	5,191	5,191	---
GRD COMBAT/SUP ARMS SYS	19,663	19,663	19,663	---
COMBAT SERVICES SUP	2,253	2,253	2,253	---
INTELL/ELECT WARFARE SYS	576	576	576	---
COMMAND/CONT/COMM SYS	25,313	25,313	25,313	---
M/C TECH SUPT C/C SYS	3,077	3,077	3,077	---
TRI- AC-MC	17,371	17,371	17,371	---
TRI- AC-NAVY	3,905	3,905	3,905	---
STRATIFIED CHARGE & ROTARY ENGINE	---	---	6,000	+6,000
MARINE LOW-COST FLIR	---	---	23,000	+23,000
T-700 ENGINE / SH-2F	---	---	10,000	+10,000
TOTAL, TACTICAL PROGRAMS	5,223,531	5,047,081	4,884,417	-339,114
INTELLIGENCE & COMMUNICATIONS				
ADV NAVIG DEVELOPMENT	685	685	685	---
NAVIGATION SYSTEMS	670	670	670	---
EHF SATCOM	69,889	69,889	69,889	---
NAVSTAR GPS	63,096	63,096	63,096	---
C2 SYSTS PLAN/ENG SUPP	6,165	6,165	6,165	---
SATELLITE COMMUNICATIONS	11,585	11,585	11,585	---
CLASSIFIED PROGRAMS	269,445	269,445	269,445	---
TOTAL, INTELLIGENCE & COMMUNICATIONS	421,535	421,535	421,535	---
DEFENSEWIDE MISSION SUPPORT				
RANGE INST & SYS DEV	20,273	20,273	18,273	-2,000
TARGET SYSTEMS DEV	84,197	84,197	82,197	-2,000

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
TRNG & PERS SYS DEV	5,636	5,636	4,636	-1,000
STUDIES & ANAL SUP/MC	2,199	2,199	2,199	---
STUDIES & ANAL SUP/NAVY	3,554	3,554	3,554	---
MCOAG	2,960	2,960	2,960	---
CENTER FOR NAVAL ANAL/NAVY	12,525	12,525	12,525	---
MC OPERATIONAL T&E	2,618	2,618	2,618	---
TECH INFO SERVICES	2,216	2,216	2,216	---
AUTEC	48,565	48,565	48,565	---
DEVELOPMENT CENTER SUPPORT	3,946	3,946	3,946	---
INTERNATIONAL RDT&E	1,869	1,869	1,869	---
MOBILE SEA RANGE	5,724	5,724	5,724	---
RDT&E LAB & FAC MGMT SPT	64,569	64,569	64,569	---
RDT&E INSTRUM & MATL SPT	18,892	18,892	18,892	---
RDT&E SHIP & AIRCRAFT SPT	84,737	82,037	78,737	-6,000
TEST AND EVAL SPT	288,351	288,351	288,351	---
OT&E CAPABILITY	7,137	7,137	7,137	---
PRODUCTIVITY IMPROVEMENT	3,532	3,532	---	-3,532
WEATHER SERVICE	1,402	1,402	1,402	---
DEF METEOROLOG SATELL PROG	21,482	21,482	21,482	---
WATERSIDE SECURITY	---	---	2,000	+2,000
TOTAL, DEFENSEWIDE MISSION SUPPORT	686,384	683,684	673,852	-12,532
MISC CONTRACT SPT SVCS	---	-18,500	-18,500	-18,500
TOTAL, RESEARCH DEVELOPMENT TEST + EVAL, NAVY	9,826,076	9,517,222	9,300,867	-525,209

2/ INCLUDES $7,500,000 FOR SPCP.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

1984 appropriation	$12,227,706,000
1985 budget estimate	14,401,955,000
Committee recommendation	13,488,335,000

The Committee recommends an appropriation of $13,488,335,000, a reduction of $913,620,000 to the budget request.

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
Technology base	777,656	757,886	-19,770
Advanced technology development	583,980	508,879	-75,101
Strategic programs	6,068,703	5,820,705	-247,998
Tactical programs	2,954,397	2,731,556	-222,841
Intelligence and communications	2,018,033	1,859,464	-158,569
Defensewide mission support	1,999,186	1,936,545	-62,641
Consultants		-3,000	-3,000
Fuel adjustments		-2,500	-2,500
Base operations transfer to O&M		-108,900	-108,900
Environmental fund transfer		-12,300	-12,300

PROGRAMS AND ACTIVITIES

The budget activities and programs funded under this appropriation are discussed below. These activities and programs require annual authorization prior to appropriations pursuant to the provisions of section 412(b) of Public Law 86–149, as amended.

TECHNOLOGY BASE

The recommended program includes $757,886,000 for technology base. This activity funds basic research and exploratory development, with the goal of increasing scientific knowledge to maintain U.S. technological superiority, avoid technological surprises and lead to the acquisition of more cost-effective weapons systems.

The Committee recommends the following changes in the budget estimate, taking no general reductions:

Materials.—The Committee recommends an appropriation of $50,120,000 for materials, a reduction of $2,311,000 to the budget request. The Committee's recommendation permits a nominal increase of more than 5.5 percent to the program over fiscal year 1984. The Materials Program will grow by nearly $3,000,000 over the fiscal year 1984 appropriation, twice the rate of growth permitted last year.

This should be sufficient to cover Air Force exploratory development requirements.

Aerospace biotechnology.—The Committee recommends an appropriation of $45,937,000 for aerospace biotechnology, a reduction of $1,445,000 to the budget request. This recommendation still permits a 9-percent nominal increase over the fiscal year 1984 appropriation, for a net growth of $3,800,000 over the previous fiscal year. This rate of growth more than triples the rate of growth for the program in fiscal year 1984.

The Committee believes that this relatively small reduction can be absorbed without impairing the thrust of the overall program.

Aerospace propulsion.—The Committee recommends an appropriation of $58,088,000 for aerospace propulsion, a reduction of $2,357,000 to the budget request. The Air Force proposed increasing this program by approximately $4,600,000 over the funding level of fiscal year 1984, which more than doubled the rate of growth from the previous year. The proposed reduction will hold the increase for the program to one closer to last year's.

Command/control/communication.—The Committee recommends an appropriation of $73,124,000 for command/control/communications, a reduction of $3,811,000 to the budget request. The Air Force increased the fiscal year 1985 budget for this program by $1,811,000 over last year's projection without providing an explanation. The Committee denies the unjustified increase, and also exacts a $2,000,000 general reduction against the program to slow what appears to be very rapid program growth compared to prior years. The net reduction of $3,811,000 still permits the program to have a nominal increase of 5.5 percent over fiscal year 1984.

ADVANCED TECHNOLOGY DEVELOPMENT

The recommended program includes $508,879,000 for advanced technology development. This budget activity funds alternatives and concepts prior to the engineering development of specific weapons systems. New technological developments are pursued which are not formally identified prior to specific operational requirements. The fiscal year 1982 Air Force Program includes funding for aircraft propulsion and electronics technology, very high speed integrated circuits, air warfare detection acquisition and weapon technology, personnel technology, information processing and flight simulator technology, and other related activities.

The Committee recommends the following changes in the budget estimate:

Special power systems.—The Committee recommends no appropriation for special power systems, a new start. This program would start up three new weapons systems power projects totaling $1,000,000: Electronic warfare and space-based surveillance, directed energy power, and missile systems power. The $400,000 missile power project would provide for preliminary design of an AMRAAM variant battery using lithium technology. This project appears to be premature, and does not address urgent AMRAAM requirements.

Advanced simulator technology.—The Committee recommends an appropriation of $6,386,000 for advanced simulator technology, a reduction of $1,100,000 to the budget request. The Air Force added $1,100,000 to the program over last year's projection for fiscal year 1985 in order to fund its portion of a new triservice defense and training technology data center. The Committee believes that the Air Force should stay in the program, but finance it out of existing funds in fiscal year 1985.

Air Force participation in the program should be fully budgeted in future years.

Advanced missile systems demonstration.—The Committee recommends denial of the budget request of $1,234,000 for advanced missile systems demonstration. This fiscal year 1985 new start would initiate design of a hydrocarbon fueled, variable flow ducted rocket engine. This ramjet type of engine, using a solid fuel source, could significantly enhance the average velocity and range of Air Force air-to-air missiles, such as AMRAAM.

The Air Force description of the program clearly states that this program could support full-scale development of future tactical air missiles, such as "an improved AMRAAM." The AMRAAM Program is currently being restructured and the program IOC is expected to slip. In the view of the Committee, advanced technology work on an improved AMRAAM engine is premature. The Committee recommends deferral of this program until the Air Force can verify the requirement.

Space biotechnology.—The Committee recommends denial of a fiscal year 1985 new start, space biotechnology. This program would initiate a study to explore the utility of man's capabilities for military functions in space. The fiscal year 1985 program would ". . . provide a military functions model and space human factors design handbook," as well as "concentrate inhouse efforts to exploit the shuttle to assess man's utility in visual and tracking tasks . . . ."

This program requires fuller explanation by the Air Force of how it interfaces with the strategic defense initiative and the Antisatelllite Program. The proposed program appears to envison a space-based battle management capability for the Air Force, which requires further justification and explanation.

Advanced military spaceflight capability.—The Committee recommends denial of the budget request for advanced military spaceflight capability, a new start. This program would initiate advanced technology research on a military spaceplane that could operate from runways at any large airfield and ascend into space orbit.

The Committee is not convinced of the validity of the requirement for a military spaceplane, but it is willing to study candidate concepts that address the technical feasibility of the spaceplane. The fiscal year 1985 effort should be limited to concept studies, with no funds going toward identification of candidate technologies such as structures, thermal protection, and propulsion. The Committee believes that a study of the concept should precede any attempt to develop a technology roadmap for the program.

DOD Software Engineering Institute.—The Committee recommends an appropriation of $5,000,000 for the DOD Software Engineering Institute, a reduction of $2,983,000 to the budget request. This new start supports creation of the DOD Software Engineering Institute's program to accelerate the transition of rapidly evolving software technology into computer-intensive weapons systems.

The Air Force estimated a program office end strength of 80 people to support this new program in its first year. The program office would reach a final end strength of 250. The Committee believes that the program can be started at a slower place, and recommends holding fiscal year 1985 end strength to no more than 50.

Command/control/communications advanced development.—The Committee recommends an appropriation of $10,500,000 for command/ control/communications advanced development, a reduction of $13,095,000 to the budget request. The Committee's action terminates further funding for the advanced tactical radar.

The advanced tactical radar is 2 years behind schedule and substantially over cost. Earlier this year, the Air Force issued a stop work order on the program, due to unsatisfactory contractor performance. Included in the decision to stop work were recommendations by the Air Force Electronics Systems Division and Headquarters, Air Force Systems Command to terminate the ATR contract. Subsequently, the prime contractor submitted a new proposal for a new advanced development model for an ATR, at a cost of some $27,000,000 above the original contract price. The stop work order continues to be in effect.

The Committee does not believe that the unsatisfactory performance of the advanced tactical radar should be rewarded with program continuation. It recommends denial of the fiscal year 1985 budget request, and termination of the ATR Program. The Air Force should restructure the effort into a new competitive development program, if it determines that there is still a valid requirement for such a radar.

General reduction.—The Committee recommends against taking an authorized general reduction against the Air Force advanced technology development budget activity, preferring instead to distribute reductions against specific programs.

STRATEGIC PROGRAMS

The recommended program includes $5,820,705,000 for strategic programs. This budget activity provides for all research and development on Air Force strategic offensive, defensive, and command, communications, and control programs. The development of these systems will provide a survivable land-based intercontinental ballistic missile retaliatory capability, modernization of the strategic bomber force and survivable strategic communications.

The Committee recommends the following changes and recommendations to the budget estimate:

Advanced strategic missile systems.—The Committee recommends an appropriation of $108,304,000 for the advanced strategic missile systems program, the budget request. ASMS is the only program in the Department of Defense which funds advanced technology work on ICBM systems and subsystems. The ASMS Program supports advanced technology work on ICBM reentry vehicles, penetration aids, maneuvering reentry vehicles, [MARV's], dormant guidance systems, defense suppression technologies and offense/defense synergism studies. For all of the billions of dollars spent on ICBM's, the ASMS budget has generally remained below $100,000,000. It is important that this relatively small investment in advanced ICBM technologies grow in future years.

The authorization committee supported ASMS at a level which permits support of the budgeted amount for the program, plus an additional $10,000,000 to support continued research on manuevering reentry vehicles. The May budget revision reduced funding for the prototype design of MARV within ASMS and the small ICBM Program by $60,000,000. The Committee believes that the reduction proposed in the May budget revision was excessive, and is receptive to reprogramming or supplemental funding for ASMS Program in the areas of penetration-related research, to include MARV's. The Committee has taken the corresponding reduction to MARV in the ICBM modernization program line of $47,300,000 proposed in the May budget revision. The Committee recommends that the MARV program be funded within ASMS until a firm full-scale development and flight testing decision is made.

The Committee concurs in the observation of the authorization committee that research and advanced technology programs such as MARV provide a possible hedge against expanded Soviet ballistic missile defense activity. The Committee requests that the DOD report on U.S. responses to Soviet ballistic missile defense requested by the Armed Services Committee also be provided to this Committee.

ICBM modernization.—The Committee recommends an appropriation of $2,345,000,000 for ICBM modernization. This program funds development and flight testing of the MX Peacekeeper ICBM, small ICBM missile and basing development, silo hardening research and development, and deep basing.

The Committee recommends the following distribution of ICBM modernization funds:

[In thousands of dollars]

	Budget estimate	Committee recommendation
MX Peacekeeper	1,716,300	1,716,300
Small ICBM/hard mobile	465,186	417,886
Silo hardening	219,700	219,700
Deep basing	39,600	9,600
General reduction		- 18,486
Total, ICBM modernization	2,440,786	2,345,000

The Committee recommendation incorporates the May budget revisions which reduced funding for the Maneuvering Reentry Vehicle Program within the small ICBM effort by $47,300,000, and funding for deep basing by $30,000,000. All other programs are approved at the original budget level.

The Committee strongly supports continuation of the MX Peacekeeper development and flight testing program. The fiscal year 1985 program supports four R&D flight tests from Vandenberg AFB, CA. The Committee notes that thus far the flight test program has been highly successful, with the missile already exceeding its technical performance parameters for accuracy.

The Committee also recommends the fully authorized amount for the small ICBM missile program. The Committee notes that the small ICBM program includes an evaluation of both hard mobile and hard silo basing. In the view of the Committee, a full and fair evaluation of both basing modes should be conducted. The pre-full-scale development program will address technology validation issued for both basing modes, to include the feasibility of multiple basing modes to enhance strategic stability by complicating enemy targeting strategy.

Since mobile basing modes have historically been more expensive than fixed silo basing modes, it is important that the Silo Hardening Program be vigorously pursued in tandem with the hard mobile option. Continuation of the hard silo program preserves the technical option to consider multiple basing, which may be less expensive than all mobile basing. At this point, all potential small ICBM basing modes should be examined, and competition maintained. The Committee recommends fully funding both the hard mobile and silo hardneing programs within the ICBM modernization program, as budgeted.

The Committee also recommends funding the revised budget request of $9,600,000 for deep basing. The May budget revision reduced deep basing to one-half of last year's appropriation of $20,000,000. The Committee is concerned that OSD has given insufficient management attention to deep basing, and the program now appears to be faltering. Deep basing is no longer being considered as a primary basing mode for the MX or the small ICBM, but instead as a possible deployment mode for a secure strategic reserve force, satellite reconstitution, or an underground command post.

The Committee recommends that the Office of the Secretary of Defense provide the Committee a firm 5-year Development Program for deep basing—to include program milestones, objectives, and funding—no later than January 1, 1985, or consider termination of the entire effort. Future Committee support for funding for deep basing is contingent upon OSD meeting this direction. Otherwise, the Committee sees little reason to continue the program. The Committee directs that none of the $18,486,000 general reduction applied to the ICBM modernization program be taken against deep basing.

B–1B.—The Committee recommends an appropriation of $508,277,000 for B–1B development and testing. During fiscal year 1985, significant B–1B R&D events will include: Flight testing on the first B–1B, and continued offensive and defensive avionics flight testing on B–1A No. 4.

Space defense systems.—The Committee recommends an appropriation of $143,278,000 for space defense systems. This program supports development and testing activity for the antisatellite [ASAT] program. The Air Force program description states that the U.S. ASAT system is designed to deter Soviet ASAT attacks on U.S. space systems and to remove the sanctuary status the Soviets currently enjoy in space by providing a capability to deny them use of those space assets which enhance the effectiveness of their land, sea, and aerospace forces.

TACTICAL PROGRAMS

The recommended program includes $2,731,556,000 for tactical programs. This activity provides for advanced, engineering, and operational systems development on all aspects of Air Force tactical warfare efforts. This includes developments to improve Air Force tactical capabilities in combat missions such as air superiority, interdiction, close air support to land combat forces, suppression of enemy air defenses, airlift, airborne early warning and control, communications, identification, navigation, and electronic warfare.

Advanced tactical air reconnaissance systems.—The Committee recommends an appropriation of $1,500,000 for a new start, advanced tactical air reconnaissance system [ATARS]. The ATARS Program would study and evaluate Air Force outyear reconnaissance requirements and include investigation of potential force mixes for both manned and unmanned vehicles.

This is a long-term program that does not address either a near- or mid-term requirement. The Committee notes that all of the services have reconnaissance programs, particularly in the area of unmanned vehicles. The Air Force proposes to start a full-scale development program by fiscal year 1989, but has shown no indication as to whether it intends to examine sister service unmanned vehicles in lieu of an FSD program. Consequently, the Committee recommends that the fiscal year 1985 budget request for this program be lowered by $2,235,000, and that the Air Force evaluate alternate service unmanned vehicle platforms during fiscal year 1985 before seeking funds in future years.

Air base survivability and recovery.—The Committee recommends an appropriation of $3,868,000 for air base survivability and recovery, a reduction of $558,000 to the budget request. The Air Force added $1,116,000 to the program above last year's projection for fiscal year 1985 for passive defense (camoflauge, concealment, and deception) validation programs. The Committee believes that specific aircraft decoy efforts are not a high Air Force priority given current budget constraints and, therefore, recommends that the passive defense effort be funded at one-half the requested level.

Advanced attack weapons.—The Committee recommends an appropriation of $10,000,000 for advanced attack weapons, a reduction of $10,024,000 to the budget request. Last year the Air Force terminated the WASP millimeter wave radar missile program, in spite of the fact that WASP successfully validated the technology for the MMW seeker in a podded, air-launched missile. This year the Air Force proposed a new start, advanced attack weapons, which will draw on the millimeter wave seeker technology demonstrated in WASP to developed an air-to-surface weapon with an autonomous, lock-on-after-launch capability.

The Committee notes that the millimeter wave technology has rapidly matured, but it cannot support full funding for the program in fiscal year 1985. The Air Force proposes to enter full-scale development by fiscal year 1987, but cannot provide a total development cost—or even a cost ceiling—for the advanced attack weapons program. This is of particular importance given the multiplicity of antiarmor programs now in development by the Army and Air Force. The Committee also notes that the contract award date has slipped 6 months from the milestone outlined in the budget.

The Committee prefers to slow the startup of the advanced attack weapons program and directs the Air Force to provide it with an outline of the proposed demonstration program, along with a total development cost estimate/ceiling, by February 1, 1985, before seeking further funding. The Committee believes that the millimeter wave radar technology is promising, but the Air Force should set firm cost guidelines in order to keep the program affordable and prevent program termination, as happened in the case of WASP.

Combat identification technology.—The Committee recommends an appropriation of $15,624,000 for combat identification technology, a reduction of $3,700,000 to the budget request. This program supports the advanced development of the Mark XV identification friend-or-foe system. The current Mark XV Program supports the advanced development of two Mark XV experimental models, both operating with the D-band (formerly called the L-band).

The United States has maintained throughout discussions of the IFF issue with our NATO allies that the new Mark XV system should operate in the same frequency band as the system it is replacing (the Mark XII), the D-band. The U.S. position has been that development of an IFF system in an alternate frequency band is unaffordable. However, West Germany prefers further delay to study the D-band frequency allocation issue, which may affect its civilian communications systems.

In the view of the Committee, the Mark XV system should be supported as the NATO-wide IFF system. However, the Mark XV Advanced Development Program should be slowed and the production models deferred until such time as NATO agreement is reached on how to use the Mark XV system under specific frequency allocation guidelines. These issues should be resolved prior to going into the engineering development phase of the program.

Engine model derivative program.—The Committee recommends an appropriation of $82,698,000 for the engine model derivative program. This is an increase of $73,500,000 above the budget and was not authorized. The additional funds will be used to begin the engine thrust improvement program for the F100 and F110 engines supported in the President's May budget revision. The recommended increase in research and development funding is offset by decreases to the aircraft procurement, Air Force, appropriation account which are associated with the repricing of the F–16 aircraft.

Testimony before the Defense Subcommittee this year strongly supported the initiation of an engine thrust improvement program. Moreover, the Deputy Secretary of Defense informed the Secretary of the

Air Force on February 27, 1984, that ". . . a critical element of any tactical aircraft plan is the availability of reliable high-performance engines . . . . Current assessments of the growing Soviet fighter threat indicated a need for higher performance in our fighters by the early 1990's. I am gratified that you have agreed to develop a thrust improvement engine acquisition plan to increase significantly the performance of the F-15's and F-16's in the 1990's . . . ."

The Committee fully agrees with the purpose and intent of the engine thrust improvement program. For the past 3 years, this Committee has recommended, and Congress approved, funding increases totaling nearly $100,000,000 to the engine model derivative program for the purpose of developing increased thrust capability for existing Air Force fighter engines. The Committee encourages prompt obligation and expenditure of all fiscal year 1984 funds appropriated for this purpose.

The Air Force RDT&E section of the bill will contain a provision that at least $82,698,000 shall be available for the engine model derivative program.

Specifics: Funds will be used to develop increased thrust versions of both the F100 and F110 fighter engines as follows:

F100—Continued improvements to the PW 1128 engine gearing toward a June 1988 delivery. Improvements will include a new fan, new low-pressure turbine, new augmentor, and a plus-100 °F combustor exit temperature [CET] hot section. A growth 1 version would include the new fan, a stagnation resistant [STAR] compressor, the new low-pressure turbine, and a plus-200 °F hot section (1/90 delivery).

F110—A growth 1 version of the F110 engine includes a high-flow compressor (plus 20 percent), digital controls, a new LPT/HPT, a plus-100 °F hot section, and a resized mixer augmentor.

The Air Force engine thrust improvement program should be fully competitive between existing F100 and F110 fighter engines.

Modular test equipment.—The Committee recommends an appropriation of $10,034,000 for modular test equipment, a reduction of $5,764,000 to the budget request. The Air Force added this amount to the MTE program above last year's budget projection for fiscal year 1985 in order to fund development of an Air Force organic MATE (modular automatic test equipment) qualification center, to qualify MATE hardware and software for future automatic test system development and replacement programs. The Committee believes that this acceleration is premature, since MATE is still being developed and updated to stay with current technology. The Committee will revisit the organic MATE qualification center proposal in 1986.

Night precision attack.—The Committee recommends a reduction of $2,000,000 to the Air Force night precision attack development program, in accordance with the President's May budget revision. This reduction is without prejudice.

Submunitions.—The Committee recommends a reduction of $1,500,000 for submunitions, in accordance with the President's May budget revisions. The Committee makes the reduction without prejudice.

Air base survivability and recovery.—The Committee recommends an appropriation of $14,092,000 for air base survivability and recovery, a reduction of $4,000,000 to the budget request. This action is taken in accordance with the President's May budget revisions.

Other operational equipment.—The Committee recommends an appropriation of $20,565,000 for other operational equipment, a reduction of $2,281,000 to the budget request. The Committee recommends deferral of a new project start, generic integrated maintenance diagnostics, which would use built-in and automatic test equipment to isolate system malfunctions. The Committee would be willing to reconsider the issue in a reprogramming action if the Air Force determines that a fiscal year 1985 start is an urgent priority.

JSTARS.—The Committee recommends an appropriation of $69,000,000 for the joint surveillance and target attack radar system [JSTARS], a reduction of $25,966,000 to the budget request. The Committee recommends this reduction on the grounds that $26,000,000 of last year's Air Force JSTARS appropriation was not obligated and the Committee has been given no assurance by the Air Force that the entire fiscal year 1985 budget request can be efficiently spent, in large measure due to the fact that the JSTARS contract award date has been delayed at least 6 months from the program outlined in the President's budget submission.

The reason for the delay and instability in the JSTARS program has been confusion over the Air Force JSTARS airborne platform. Two years ago, when the decision was made by the Office of the Secretary of Defense to merge the Army battlefield data systems and Air Force Pave Mover programs, a concurrent decision was made to make the Army OV–1D and the Air Force TR–1 aircraft the JSTARS airborne platforms. This decision was the basis upon which this Committee, as well as the House Appropriations Committee, agreed to begin the JSTARS development program. Last year, the appropriations conference agreed that the Air Force portion of the JSTARS program should be based upon utilization of these aircraft, rather than the C–18 (a modified 707) aircraft, which the Air Force intended to use as a test bed for the JSTARS radar.

Last year, and again this year in written answers to Committee questions, the Under Secretary of Defense for Research and Engineering underscored the requirement for having a survivable JSTARS platform, and that the JSTARS radar should be compatible with the smaller TR–1 and OV–1 aircraft. The C–18, with its higher radar cross section, is a much larger target than the TR–1, cannot be used at altitudes that the TR–1 can reach, and may require friendly fighter protection.

In May of this year, however, the Army and Air Force proposed a memorandum of agreement that would restructure the JSTARS program to provide for use of the C–18 as a single airborne platform for the JSTARS radar. This decision was endorsed by the Department of Defense 3 months later.

The Committee is not convinced that use of the C–18 would not necessitate an unacceptable setback range for the utilization of the JSTARS radar. Current Air Force operations and control planning would require use of 15 operators with sufficient processing capability to conduct simultaneously wide area surveillance attack planning/attack control tasks and simultaneous guidance of weapons. The Committee questions these requirements and notes that there will be no decrease in the Army requirement for JSTARS ground stations due to the switch to a C–18.

Because of these concerrns regarding the change to the C–18 as the JSTARS platform, the Committee directs that fiscal year 1985 funds for JSTARS not be obligated until the Department of Defense provides an outyear JSTARS spending plan, including all C–18 related costs.

F–15 squadrons/fighter derivative.—The Committee recommends an appropriation of $200,000,000 for F–15 squadrons, to fund development of the F–15E aircraft as the Air Force's dual role fighter. The dual role fighter program will be aimed at developing avionics improvements which will maintain the F–15's combat superiority against Soviet/Warsaw Pact aircraft through the 1990's. These improvements include expanded electronic counter-counter measures capability and improved combat identification capability in the radar, updates to the electronic warfare suite, and incorporation of improved communications/identification equipment.

The addition of conformal fuel tanks will also significantly increase the range and target coverage capability of the F–15. This will permit the F–15 to strike deep against enemy ground targets in Europe, the Pacific, and the Persian Gulf regions.

The Committee's review of the dual role fighter program this year concurs in the finding of the Air Force that the F–15 is the appropriate aircraft for the dual role fighter mission. However, the Committee is not convinced that the Air Force DRF inventory objective and procurement strategy outlined in the fighter roadmap are necessarily valid. The Committee is concerned that the Air Force has not examined all possible alternatives to procurement of nearly 400 DRF's, and may, in fact, have overstated its procurement requirement.

The Committee directs the Air Force to report back no later than February 1, 1985, as to the basis for its DRF inventory objective and how it intends to structure the DRF procurement program through 1990 following congressional action on the fiscal year 1985 F–15 procurement program.

F–16 squadrons.—The Committee recommends an appropriation of $95,000,000 for F–16 squadrons, an increase of $11,572,000 to the budget request. The Committee's action starts development of the advanced F version of the F–16 at a funding level of $24,000,000. The F–16F would most probably incorporate the cranked arrow wing design, retain high-value F–16 C/D subsystems, and provide a major increase in the internal fuel capability of the F–16. These improvements will significantly improve the range and payload flexibility of the F–16.

Although the Committee supports F–16F development, it is concerned that there may be overlap in F–15E and F–16F mission requirements, and that development of both may crowd out scarce R&D dollars for the advanced tactical fighter. The Committee has not been told how many F–16F's the Air Force intends to buy, and consequently cannot verify the mix of F–16F's to F–16C/D's. Most importantly, the Committee believes that the F–16F program should include a plan to incorporate a higher thrust engine into the aircraft. Provisions are being made for that possibility through the engine thrust improvement program. The F–16F will be a much heavier aircraft than its predecessors, due to the incorporation of MSIP (multinational staged improvement program) changes and AMRAAM. The Committee is concerned that unless the F–16F program includes a plan to incorporate a higher thrust engine, the thrust-to-weight ratio of the F–16F will be sharply reduced from that of earlier F–16's, and air-to-air capability could be lost.

The Committee recommends that none of the funds provided to start the F–16F program be obligated or expended until such time as the total F–16F requirement and F–16 force mix are identified, and the engine thrust improvement program is initiated.

A–10 squadrons.—The Committee recommends an appropriation of $2,694,000 for A–10 squadrons, a reduction of $1,414,000 to the budget request. This action defers AIM–9L integration costs programmed to give the A–10 a self-defense capability. The Committee opposes self-defense enhancements for the A–10, which should be used solely in the close air support [CAS] mission in support of Army battlefield units.

F–4G Wild Weasal squadrons.—The Committee recommends an appropriation of $55,267,000 for F–4G Wild Weasal squadrons. The F–4 PUP should be restructured to reflect impending outyear budget reductions—the Committee doubts the high priority given it in fiscal year 1985. Although the F–4 modernization program has significance for FMS benefits, the Air Force program description states that the budget was based on category V cost estimates—equivalent to an unsolicited contractor proposal. The Committee may consider a reprogramming action after firmer cost estimates are presented and USDR&E and the Air Force agree to an outyear program.

C–130 airlift squadrons.—The Committee denies without prejudice the budget request of $789,000 for C–130 airlift squadrons. The Air Force proposed this amount to fund a study to determine if the C–130 is suitable to perform the aerial spray mission. The effort would be accomplished through the use of wind tunnel tests and computer simulation. The current DOD aerial spray capability is performed by the Air Force Reserve flying the C–123K. The Committee believes that the Air Force should examine the feasibility of extending the life of the C–123K before beginning a C–130 aerial spray test program.

Classified programs.—The Committee recommends an appropriation of $364,176,000 for Air Force classified tactical programs, a reduction of $7,435,000 to the budget request. The explanation for the program changes involved is found in the classified annex to the Committee report.

INTELLIGENCE AND COMMUNICATIONS

The recommended program includes $1,859,464,000 for intelligence and communications. This activity provides funding for advanced, engineering, and operational systems development efforts in Air Force intelligence and worldwide communications systems.

Classified programs.—The Committee recommends a reduction of $152,405,000 to the intelligence and communications budget activity for certain classified programs. The explanation for these reductions can be found in the classified annex to the Committee report.

Electromagnetic Compatibility Analysis Center.—The Committee recommends an appropriation of $6,864,000 for the Electromagnetic Compatibility Analysis Center [ECAC], a reduction of $900,000 to the budget request. The Air Force added funds above last year's projection for the ECAC budget for fiscal year 1985 without justification. The Committee recommends that this reduction be applied equally against Air Force communications-electromagnetic systems projects, but that no reduction be made to special Secretary of Defense and Joint Chiefs of Staff spectrum-allocation/assignment and special electromagnetic compatibility analysis projects.

Traffic control/approach/landing system.—The Committee recommends an appropriation of $8,502,000 for the traffic control/approach/landing systems program, a reduction of $3,264,000 to the budget request. The Committee's action defers for another year consideration of a new project start, the rapidly deployable air traffic control system. No reduction should be applied against the joint Air Force/FAA effort to develop terminal instrument procedures for civil and military use of the microwave landing system.

The outyear procurement costs of the rapidly deployable air traffic control system may approach $500,000,000 and the Committee is not convinced that the Air Force has sufficiently examined the use of existing systems to meet their forward area mobility requirements. Other precision approach radars are available, such as the Marines' air traffic control and landing system [MATCALS] and an upgraded AN/MPN-14. The Air Force should study the issue for an additional year before seeking the start of the project in later years.

General intelligence and skill training.—The Committee recommends an appropriation of $5,208,000 for general intelligence and skill training, a reduction of $2,000,000 to the budget request. The Air Force added these funds above last year's projection for the fiscal year 1985 program without identifying precise projects for which they were going. Instead, the program description states that the difference was due to, "increases to accommodate a refinement of estimates based on more exact program definition." Since the more precise program definition was not presented to Congress, the Committee recommends returning the program to the funding level projected last year for fiscal year 1985, which still nearly doubles the fiscal year 1984 appropriation.

DEFENSEWIDE MISSION SUPPORT

The recommended program includes $1,936,545,000 for defensewide mission support. This budget activity funds Air Force installations and operations required for major system testing, test instrumentation development, technical information efforts, target development, and other research and development support.

Inventory control point operations.—The Committee recommends an appropriation of $500,000 for inventory control point operations, a reduction of $871,000 to the budget request. This new start was denied last year and the Committee stated that it would be willing to reconsider the program in fiscal year 1985. The Committee agrees to start the program, but at a lower level of effort, due to fiscal constraints.

Space boosters.—The Committee recommends the budget estimate of $20,355,000 for space boosters, including an initial $10,000,000 for preliminary development efforts on Air Force requirements for an expendable launch vehicle. Although the Air Force has also identified an unbudgeted additional requirement of $25,000,000 for the ELV program, the Committee has deferred any added funding until program requirements and out-year costs can be developed and justified.

The Air Force has contended there is a pressing need for standby ELV capability in the event the space shuttle cannot meet all space launch requirements on a timely basis. It submitted a commercial financing package in mid-year, involving no initial Federal investment, for ELV development, production, and launching services. This proposal was rejected by Congress and the Office of Management and Budget, and the Air Force subsequently produced a conventional funding approach based on annual appropriation requests to Congress for research, development, and production.

The Committee is concerned that the current alternatives under consideration by the Air Force do not have any significant growth potential. The likelihood of the need to develop a heavy lift capability in the 1990's and the potential of shuttle derived technology to achieve this goal at lower overall cost require consideration of this alternative in any decision on intermediate ELV development. The Committee, therefore, directs the Department of Defense, in conjunction with NASA and OMB, to conduct a study which shall be transmitted to the appropriate committee of Congress no later than January 15, 1985.

This study shall include the following:

(1) A review of ELV needs and requirements both in the 1988 timeframe and the 1990's. This review should assess the viability and reliability of the Space Shuttle as a sole means of access to space during an intermediate period in the late 1980's;

(2) An assessment of shuttle derived technology applicability for both the short term (beginning prior to 1990) and in heavy-lift configurations through the 1990's; and

(3) An analysis of the cost implications of various alternatives toward meeting both short-term and long-term ELV requirements. With respect to shuttle derived technology, this analysis should include information on economies of scale which may be achieved.

To the extent possible, this report should represent a consensus view of DOD, NASA, and OMB on the relevant estimates and assessments. Should significant differences not be resolved, the report should identify and discuss such differences.

The Committee expects the Department to submit a reprogramming request to the Appropriations Committees of the House and the Senate for any amounts in excess of $10,000,000 included in the bill, and to notify these Committees not less than 10 days prior to entering into any contract for this purpose. In addition, no funds are to be obligated for this purpose prior to February 15, 1985.

The Committee further wishes to emphasize its concern that a final decision on an ELV capability configuration, and development of such a system, be made early in calendar year 1985 so that initial operating capability occurs with as little delay as possible.

OTHER AIR FORCE ADJUSTMENTS

General reduction.—The Committee recommends against taking the general reductions approved in the Senate authorization. These general reductions, applied against a number of Air Force RDT&E budget activities and the entire account, totaled $82,200,000.

Instead, the Committee has chosen to distribute these reductions against specific programs and not accept authorization increases to existing and new programs.

Fuel adjustment.—The Committee recommends a reduction of $2,500,000 to the Air Force RDT&E budget to reflect adjustments in fuel prices. This change was recommended in the President's May budget revisions.

Consultants, studies, and analyses.—The Committee recommends a reduction of $3,000,000 for Air Force consultants, analyses, studies, and service contracts.

Base operations transfer to O&M.—The Committee recommends the transfer of $108,900,000 from the RDT&E account to the O&M account for programs relating to Air Force base operations activities. For further explanation of this recommendation, see the O&M, Air Force, section of the Committee report.

Environmental restoration fund transfer.—The Committee recommends the transfer of $12,300,000 from the RDT&E account to the O&M account for activities related to environmental restoration fund programs. For further explanation of this recommendation, see the O&M, Air Force, section of the Committee report.

ITEMS OF SPECIAL INTEREST, AIR FORCE

Very high speed integrated circuits (VHSIC).—The Committee endorses the VHSIC objectives of dramatically advancing the state-of-the-art in integrated circuit density and speed and in fostering the development of a competitive industrial base that can be counted on to satisfy military VLSI needs in the future. The Committee understands the ambitious nature of the original VHSIC Program goals, particularly those of phase I and the need for submicron technology that can be used in certain high-technology military applications.

It is in a supportive spirit that the Committee expresses concern with the phase I VHSIC Program. Phase I is the foundation of the subsequent phase II submicron work and the Committee wants as strong a foundation as practical. During the hearings process, the Department submitted answers to questions for the record about VHSIC. These answers show that only one of six phase I contractors has been able to deliver all phase I products within schedule. Furthermore, this Committee has been informed that 5 to 18 months (in addition to the original 36-month contract period) are required for five of the six contractors to complete their phase I work. In light of this information the Committee does not feel that the phase I program can be declared a full success at this time.

The rate of technology achievement in VHSIC has been very rapid and the scientific knowledge accumulated by the VHSIC Program is substantial, as often pointed out by the VHSIC Program participants. The Committee believes that this knowledge generated by six contractor groups may, in fact, have accumulated to the point where the scientific community is unable to digest it and to react carefully to it. The House Armed Services Committee has recommended in its report to add $30,000,000 to the VHSIC Program, but this Committee feels that the VHSIC Program may need more time, rather than increased funding.

This Committee has other concerns with aspects of the VHSIC Program which impact on timely technology insertion into military equipment and on the possibility of low-cost devices achievable through wide competition. These concerns have to do with chip and subsystem testing, qualifying, packaging, and interfacing. Since many of the phase I devices have not been delivered, they have not been tested.

The Committee recognizes that to be able to solve the problems of packaging, military qualification (including radiation hardening) and interface busing (which will result in timely technology insertion into production military gear), requires additional unforeseen expenditure of resources. This work and its associated challenges are being undertaken at the same time breakthroughs are being made in the VLSI technology itself. Because of these facts, the Committee would be amenable to a Department request for a reprogramming of funds or a request for supplemental funds in the future. These actions, if deemed appropriate by the Department, are to be made only after this Committee is assured that the VHSIC phase I work is complete and successful.

C-17.—The Committee recommends an appropriation of $123,285,000 solely for the C-17 Development Program, the revised budget request. Fiscal year 1985 marks the entry of the C-17 into full-scale development. The Committee strongly supports the program and notes that the Air Force airlift master plan clearly outlines the primary role that the C-17 will play in outyear airlift planning for the Air Force. The Committee has made the C-17 a "special interest item" under the Air Force RDT&E section to preclude Air Force reprogramming of funds from the program into other activities.

MILSTAR.—Many different satellite communication systems are in various stages of research and development or operational use. Examples are AFSAT, FLTSAT, MILSTAR, and DSCS III. A variety of strategic and tactical requirements in each service is being satisfied by these systems. Some satellite communications now conducted in lower frequency bands are to be replaced by less vulnerable and higher capacity extremely high frequency (EHF) equipment. This Committee is concerned that there be no unnecessary overlap in the requirements for each of the current, each of the near-term, or each of the far-term systems. The Committee requests that it be informed by the Department on planning that is being done in the satellite communications area to ensure that only essential tactical and strategic communication services are being efficiently phased in while preserving interoperability among the services.

The Committee and the General Accounting Office (GAO) are concerned that the total cost of the MILSTAR Program has not been reported to Congress. The Committee has been informed that an independent cost analysis for the satellite and mission control segment has been completed. This information should be supplied to this Committee, along with the Department's budget plans for the total MILSTAR Program.

Consolidated Space Operations Center (CSOC).—The Committee recommends an appropriation of $65,698,000 for the Consolidated Space Operations Center (CSOC), a reduction of $7,000,000 to the budget request. The Committee has taken the $7,000,000 reduction proposed in the President's May budget revisions for CSOC, but is seriously concerned that delaying the SOPC portion of CSOC (Shuttle Operations and Planning Complex) will have the net impact of extending DOD's exposure to operational risks by an additional 2 years and drive up costs.

In answer to subcommittee questions as to what impact a 2-year slip in the SOPC portion of CSOC would have on the overall shuttle management efforts of DOD, the Air Force stated:

> ". . . continued reliance on JSC (Johnson Space Center) as a vulnerable control center without a backup capability presents a significant risk to DOD's need for assured and responsive access to space. Second, prolonged operation of sensitive DOD missions in the JSC environment increases the risk of exposing sensitive operational aspects of DOD missions."

The Committee's review of this proposed reduction concludes that it was a poor place for OSD to cut the Air Force budget, and, consequently, it will consider a reprogramming for this program. The Committee encourages OSD to support the CSOC Program sent to Congress with the fiscal year 1985 budget in future years and do all that is possible to prevent program slippage.

Training simulation technology and personnel utilization technology.—The Committee recommends $750,000 for the support of human resources research in the Air Force Human Resources Laboratory

(AFHRL) to develop joint Air Force laboratory and university research programs in critical areas. Specifically, the Committee allocates $500,000 for program element 62205F (Air Force) for training research in simulation technology and $250,000 in program element 62703F for personnel utilization technology for human resources research. The Committee believes it is critical that stronger relations between the university scientific community and the defense research enterprise be reestablished. These funds will be used to support Air Force laboratory and university research programs in areas relevant to Air Force training and personnel technology and to disseminate programs into the public domain and the private sector. The Committee requests that a report be submitted in 1986 on the progress made in this joint program.

Stores ejector technology.—The Committee is advised of Air Force plans to develop new stores ejector techniques using all-hydraulic technology for eventual application in the advanced tactical fighter. The Committee is aware both of technical problems encountered in previous attempts to use hydraulic technology and of alternate technology that appears to have promise.

Although the Committee does not object to the ongoing effort, it does believe that parallel development of alternate technology is a prudent method of risk reduction. Accordingly, $1,000,000 of the funds provided for Air Force RDT&E in fiscal year 1985 shall be for the development of stores ejector technology which is an alternate to all-hydraulic technology.

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
RESEARCH DEVELOPMENT TEST + EVAL, AIR FORCE				
TECHNOLOGY BASE				
IN-HOUSE LAB INDEPENDENT RESEARCH	16,826	16,826	15,000	-1,826
DEFENSE RESEARCH SCIENCES	190,115	190,115	190,115	---
GEOPHYSICS	37,116	37,116	37,116	---
MATERIALS	52,431	52,431	50,120	-2,311
AEROSPACE FLIGHT DYNAMICS	64,193	64,193	64,193	---
AEROSPACE BIOTECHNOLOGY	47,382	47,382	45,937	-1,445
AEROSPACE PROPULSION	60,445	60,445	58,088	-2,357
AEROSPACE AVIONICS/VHSI CIRCUITS	72,510	72,510	72,510	---
TRAINING/SIMULATION TECH	23,240	23,240	23,240	---
ROCKET PROPULSION	40,020	40,020	37,000	-3,020
ADVANCED WEAPONS	44,794	44,794	39,794	-5,000
CONVENTIONAL MUNITIONS	42,820	42,820	42,820	---
COMMAND/CONTROL/COMMUNICATION	76,935	76,935	73,124	-3,811
PERS UTILIZATION TECH	8,829	8,829	8,829	---
TOTAL, TECHNOLOGY BASE	777,656	777,656	757,886	-19,770
ADVANCE TECHNOLOGY DEVELOPMENT				
LOGISTICS RESEARCH & DEV RQMTS	5,248	5,248	5,248	---
ACFT PROPULSION SUBSYS INTEGRATION	26,967	26,967	26,967	---
ADV AVIONICS FOR ACFT	21,822	20,822	20,000	-1,822
FLT VEHICLE TECHNOLOGY	20,917	20,917	15,617	-5,300
RECON SENSORS/PROCESSING TECHNOLOGY	8,323	8,323	8,323	---
AEROSPACE STRUCTURES/MATERIALS	10,938	10,938	10,938	---
AVIATION TURBINE FUEL TECHNOLOGY	4,289	4,289	4,289	---
ADV TURBINE ENGINE GAS GENERATOR	25,454	25,454	25,454	---
SPECIAL POWER SYSTEMS	1,000	1,000	---	-1,000
DOD COMMON PROG LANGUAGE(ADA)ADV DEV	8,055	8,055	8,055	---
ADVANCED SIMULATOR TECHNOLOGY	7,486	7,486	6,386	-1,100
CREW SYSTEMS TECHNOLOGY	10,726	10,726	10,200	-526
ACFT NON-NUCLEAR SURVIVABILITY	3,931	3,931	3,931	---
ADV FIGHTER TECH INTEGRATION	18,954	18,954	18,954	---
LINCOLN LABORATORY	23,700	23,700	21,500	-2,200
ADVANCED SYSTEM INTEGRATION DEMO	33,155	31,655	30,000	-3,155
CARTOG APPLICATIONS-TAC & STRAT SYS	1,094	1,094	1,094	---
SPACE & MSL ROCKET PROPULSION	5,547	5,547	3,547	-2,000
ADV MSL SUBSYSTEMS DEMONSTRATION	1,234	1,234	---	-1,234
ADVANCED TECHNOLOGY CRUISE MISSILE	15,417	15,417	15,417	---
HYPERVELOCITY MISSILE	2,994	2,994	2,994	---
SPACE BIOTECHNOLOGY	700	700	---	-700
ADVANCED SPACECRAFT TECH	30,726	12,726	6,900	-23,826
ADV MILITARY SPACEFLIGHT TECHNOLOGY	2,829	2,829	---	-2,829
SPACE SYS ENVIRON INTERACTIONS TECH	3,730	3,730	3,730	---
MSL SURVEILLANCE TECH	6,985	6,985	3,000	-3,985
VERY HIGH SPEED INTEGRATED CIRCUITS	119,978	119,978	119,978	---
CONVENTIONAL WEAPONS	21,749	21,749	21,749	---
ADVANCED RADIATION TECH	12,399	12,399	5,000	-7,399
MANPOWER & PERSONNEL SYS TECH	2,039	2,039	2,039	---
WEATHER SYSTEMS	2,955	2,955	2,955	---
ELECTRONIC WARFARE TECHNOLOGY	22,105	22,105	22,105	---
CIVIL/ENVIRONMENTAL ENGR TECH	17,247	16,447	15,300	-1,947
FIBER OPTICS DEVLOPMENT	3,053	3,053	3,053	---

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
ADVANCED COMMUNICATIONS TECHNOLOGY	4,838	4,838	4,838	---
ADVANCED COMPUTER TECHNOLOGY	6,672	6,672	6,672	---
ELECTRO-OPTICAL WARFARE	17,808	17,808	17,808	---
CHEMICAL WARFARE DEFENSE	3,824	3,824	3,824	---
COUNTER/COUNTERMEASURES -ADV DEV	10,444	10,444	10,444	---
INNOVATIONS IN EDUCATION/TRAINING	5,070	5,070	5,070	---
DOD SOFTWARE ENGINEERING INSTITUTE	7,983	7,983	5,000	-2,983
COMD/CNTRL/COMM ADV DEV	23,595	23,595	10,500	-13,095
TOTAL, ADVANCE TECHNOLOGY DEVELOPMENT	583,980	562,680	508,879	-75,1[illegible]
STRATEGIC PROGRAMS				
COMMON STRATEGIC ROTARY LAUNCHER	77,304	69,304	69,304	-8,000
ADVANCED STRATEGIC MISSILE SYSTEMS	108,304	95,604	108,304	---
ADVANCED AIR TO SURFACE MISSILE	54,418	28,418	25,000	-29,418
ATMOSPHERIC SURVEILANCE TECH	4,908	4,908	4,908	---
WWMCCS ARCHITECTURE	10,968	10,968	10,968	---
B-1B	508,277	508,277	508,277	---
ICBM MODERNIZATION	2,440,786	2,363,486	2,345,000	-95,786
STRAGEGIC CONV STANDOFF CAPA (SASC)	21,619	21,619	4,419	-17,200
AIR LAUNCHED CRUISE MISSILE	28,039	25,039	25,039	-3,000
SPACE DEFENSE SYS	143,278	143,278	143,278	---
SYSTEMS SURVIVABILITY (NUC AFFECTS)	9,057	9,057	9,057	---
B-52 SQUADRONS	22,167	22,167	22,167	---
AIRCRAFT SURVIVABILITY ENHANCEMENTS	4,416	4,416	4,416	---
KC-135 SQUADRONS	4,010	4,010	4,010	---
MINUTEMAN SQUADRONS	4,672	4,672	4,672	---
PACCS/WWABNCP SYS EC-135 CL V MODS	799	799	799	---
SAC COMMUNICATIONS	1,546	3,046	3,046	+1,500
NCMC - TW/AA SYSTEMS	23,834	23,834	23,834	---
NCMC - SPACE DEFENSE SYSTEMS	52,253	52,253	52,253	---
BALLISTIC MSL TAC WNG/ATK ASSES SYS	3,214	3,214	3,214	---
JOINT SURVEILLANCE SYSTEM	1,802	1,802	1,802	---
SURVEILL RADAR STATIONS/SITES	11,890	11,890	11,890	---
DEW RADAR STATIONS	63,094	62,094	46,000	-17,094
CONU OVER-THE HORIZON RADAR	60,904	60,904	60,904	---
BALLISTIC MSL EARLY WNG SYSTEM	10,016	10,016	10,016	---
SPACETRACK	10,214	10,214	10,214	---
DEFENSE SUPPORT PROGRAM	63,985	63,985	63,985	---
SLBM RADAR WARNING SYSTEMS	12,219	12,219	12,219	---
SPACE DEFENSE INTERFACE NETWORK	34,795	34,795	34,795	---
COMD CTR PROCESS/DISPLAY SYS	11,661	11,661	11,661	---
NEAC /E-4B CL V MODS	27,102	27,102	27,102	---
MINIMUM ESSENTIAL EMER COMM NETWORK	116,900	111,900	111,900	-5,000
WWMCCS INFORMATION SYSTEM - JPMO	32,629	32,629	32,629	---
AIR FORCE SAT COMM SYS	141,592	127,592	127,592	-14,000
MILSTAR COMM SAT SYSTEM	325,042	325,042	325,042	---
THEATER NUC WPN STORAGE&SEC SYS	1,958	1,958	1,958	---
CLASSIFIED PROGRAMS	1,619,031	1,619,031	1,559,031	-60,000
TOTAL, STRATEGIC PROGRAMS	6,068,703	5,923,203	5,820,705	-247,998

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
TACTICAL PROGRAMS				
ADVANCED TACTICAL FIGHTER	94,287	94,287	94,287	---
ADV TACTICAL AIR RECONNAISSANCE SYS	3,735	3,735	1,500	-2,235
JNT SERVICE ADV VERT LIFT ACFT (JVX)	1,086	1,086	1,086	---
AIR BASE SURVIVABILITY & RECOVERY	4,426	4,426	3,868	-558
ADV ATTACK WEAPONS	20,024	20,024	10,000	-10,024
DOD PHYSICAL SECURITY EQ-EXTERIOR	1,885	1,885	1,885	---
COMBAT IDENTIFICATION TECHNOLOGY	19,324	19,324	15,624	-3,700
C3CM ADVANCED SYSTEMS	994	994	500	-494
JT SURV.TGT ATK RADAR SYS(JSTARS)	3,318	3,318	3,318	---
ACFT AVIONICS EQUIPMENT DEVELOPMENT	25,809	20,009	20,000	-5,809
F-100 DURABILITY	14,003	14,003	14,003	---
AIRCRAFT EQUIPMENT DEV	12,047	8,047	8,047	-4,000
ENGINE MODEL DERIVATIVE PROG	9,198	82,698	82,698	+73,500
EW COUNTER RESPONSE	23,917	19,517	17,500	-6,417
NUCLEAR WEAPONS SUPPORT	1,947	1,947	1,947	---
ALTERNATE FIGHTER ENGINE	56,943	56,943	54,943	-2,000
C-17 PROGRAM	129,285	123,285	123,285	-6,000
MODULAR AUTOMATIC TEST EQUIPMENT	15,798	14,798	10,034	-5,764
NIGHT PRECISION ATTACK	98,338	96,338	96,338	-2,000
ACFT ENGINE COMPONENT IMPROVE PROG	149,785	149,785	148,785	-1,000
DEF SUPPRESSION WPNS ENG DEV	14,795	14,795	3,000	-11,795
NEXT GENERATION TRAINER	77,977	77,977	77,977	---
ADV MED RANGE AIR TO-AIR MSL	217,749	217,749	209,749	-8,000
JOINT TACTICAL FUSION PROGRAM	17,787	17,787	17,787	---
JOINT TACTICAL MISSILE SYSTEM	35,509	35,509	---	-35,509
GRD LAUNCHED CRUISE MSL	18,654	18,654	18,654	---
C/B DEFENSE EQUIPMENT	18,222	18,222	18,222	---
ARMAMENT ORDNANCE DEVELOPMENT	20,764	18,764	18,764	-2,000
SUBMUNITIONS	48,677	47,177	47,177	-1,500
WIDE AREA ANTI ARMOR MUNITION	27,306	27,306	27,306	---
AIR BASE SURVIVABILITY & RECOVERY	18,092	14,092	14,092	-4,000
AEROMEDICAL SYSTEMS DEVELOPMENT	7,007	7,007	7,007	---
LIFE SUPPORT SYSTEM	15,649	13,649	13,649	-2,000
OTHER OPERATIONAL EQUIPMENT	22,846	22,846	20,565	-2,281
RECONNAISSANCE EQUIPMENT	9,631	9,631	8,780	-851
DOD PHYSICAL SECURITY EQ-EXTERIOR	12,562	12,562	12,562	---
TAC C3 COUNTER MEASURES	28,100	25,100	23,800	-4,300
COMBAT IDENTICATION SYSTEMS	16,046	16,046	16,046	---
SURFACE DEF SUPRESSION	24,533	24,533	17,000	-7,533
AIRBORNE SELF PROTECTION JAMMER	29,149	29,149	25,000	-4,149
PROTECTIVE SYSTEMS	48,565	45,565	45,565	-3,000
TACTICAL PROTECTIVE SYSTEMS	86,631	72,631	50,000	-36,631
COMPUTER RESOURCES MGT TECH	12,358	12,358	9,358	-3,000
PRECISION LOCATION STRIKE SYSTEM	82,996	82,996	82,996	---
INTELLIGENCE EQUIPMENT	15,255	15,255	15,255	---
COMBAT HELICOPTER MODERNIZATION	81,306	34,306	34,306	-47,000
JT TAC INFO DIST SYS	86,703	86,703	86,703	---
SIDE LOOKING AIRBORNE RADAR (SLAR)	24,547	24,547	24,547	---
JSTARS	94,966	94,966	69,000	-25,966
JT INTEROPERABILITY TAC COMD/CNTRL	13,452	13,452	13,452	---
F-111 SQUADRONS	71,942	68,942	60,000	-11,942
F-15 SQUADRONS	82,867	229,817	200,000	+117,133
A-10 SQUADRONS	4,108	4,108	2,694	-1,414
FIGHTER DERIVATIVE	146,950	---	---	-146,950
F-16 SQUADRONS	83,428	107,428	95,000	+11,572
F-4G WILD WEASAL SQUADRONS	55,267	55,267	55,267	---

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
TACTICAL A[illegible]M MISSILES	3,695	3,695	3,695	---
AIR FORC[illegible]ENCAP	260	260	260	---
OVERSEA[illegible]IR WEAPON CONT SYS	3,154	3,154	3,154	---
TACTIC[illegible]IR CONTROL SYSTEM	28,397	28,397	24,397	-4,000
AIR B[illegible] WARNING & CONTROL SYS	76,595	76,595	74,595	-2,000
ADV [illegible] SYS	86,963	86,963	86,963	---
TAC [illegible] INTELL SYS ACTYS	1,579	1,579	1,579	---
TAC[illegible]. RECON IMAGERY EXPLOITATION	1,156	1,156	1,156	---
BASE COMM - TACTICAL AIR FORCES	985	985	985	---
JT TACTICAL COMM PROG (TRI-TAC)	11,467	11,467	11,467	---
SATELLITE COMMUNICATIONS TERMINALS	2,860	2,860	2,860	---
ELECTROMAGNETIC COMBAT INTEL SPT	1,928	1,928	1,928	---
C-130 AIRLIFT SQUADRONS (IF)	789	789	---	-789
MAC COMMAND/CONTROL SYS	4,413	3,413	3,413	-1,000
CLASSIFIED PROGRAMS	371,611	371,611	364,176	-7,435
TOTAL, TACTICAL PROGRAMS	2,954,397	2,948,197	2,731,556	-222,841
INTELLIGENCE & COMMUNICATIONS				
SPACE COMMUNICATIONS	44,413	44,413	44,413	---
NAVSTAR GPS USER EQUIPMENT	60,970	60,970	60,970	---
DEF SATELLITE COMM SYS	31,629	31,629	31,629	---
LONG HAUL COMMUNICATIONS (DCS)	9,329	9,329	9,329	---
ELECTROMAG COMPATIBILITY ANAL CTR	7,764	7,764	6,864	-900
TRAFFIC CNTRL/APPROACH/LANDING SYS	11,766	11,766	8,502	-3,264
NAVSTAR GLOBAL POS SYS (USER EQ)	9,060	9,060	9,060	---
NAVSTAR GPS (SPACE/GRD SEGMENTS)	33,464	33,464	33,464	---
GEN INTELLIGENCE SKILL TNG	7,208	7,208	5,208	-2,000
CLASSIFIED PROGRAMS	1,802,430	1,802,430	1,650,025	-152,405
TOTAL, INTELLIGENCE & COMMUNICATIONS	2,018,033	2,018,033	1,859,464	-158,569
DEFENSEWIDE MISSION SUPPORT				
CONCEPT DEVELOPMENT	2,479	2,479	1,000	-1,479
SPACE TEST PROGRAM	71,500	71,500	71,500	---
SATELLITE SYS SURVIVABILITY	5,519	5,519	5,519	---
ADV AERIAL TARGETS DEV	3,409	3,409	3,409	---
FLIGHT SIMULATOR DEVELOPMENT	149,880	149,880	149,880	---
SPACE SHUTTLE	345,764	345,764	345,764	---
LOGISTICS TECH FOR WEAPONS SYSTEMS	7,585	7,585	7,585	---
WEATHER SYSTEMS	8,283	8,283	8,283	---
RANGE IMPROVEMENT	16,771	15,771	15,771	-1,000
ELECTROMAG RADIATION TEST FACIL	7,811	7,811	6,911	-900
IMPROVED CAPABILITY FOR RDT&E	75,054	69,754	70,754	-4,300
PROJECT AIR FORCE	16,766	16,766	16,766	---
ACQ/COMD SPT TELECOM	7,137	7,137	7,137	---
RANCH HAND II EPIDEMIOLOGY STUDY	3,308	3,308	3,308	---
NAV/RADAR/SLED TRACK TEST SPT	18,749	17,649	17,649	-1,100
ACQUISITION AND COMMAND SUPPORT	354,130	353,330	343,281	-10,849
TEST AND EVALUATION SPT	437,464	419,364	413,000	-24,464
ADV SYS ENGINEERING/PLAN	3,631	3,631	3,631	---
RDT&E AIRCRAFT SUPPORT	47,511	47,511	47,511	---
PRODUCTIVITY IMPROVEMENT	6,139	6,139	3,000	-3,139
WWMC S - ADP	680	680	---	-680

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
SATELLITE CONTROL FACILITY..............................	99,224	99,224	99,224	---
SPACE BOOSTERS..	20,356	20,356	20,356	---
CONSOLIDATED SPACE OPERATIONS CENTER..................	72,698	65,698	65,698	-7,000
DEF METEOROLOGICAL SATELLITE PROG.....................	42,566	42,566	42,566	---
SPACE LAUNCH SUPPORT..................................	93,835	93,835	93,835	---
INVENTORY CONTROL POINT OPERATIONS....................	1,371	1,371	500	-871
INDUSTRIAL PREPAREDNESS...............................	61,859	61,859	56,000	-5,859
PRODUCT/RELIABLE/AVAIL/MAINTAIN PROG..................	14,865	13,865	13,865	-1,000
INTERNATIONAL ACTIVITIES..............................	2,842	2,842	2,842	---
TOTAL, DEFENSEWIDE MISSION SUPPORT..................	1,999,186	1,964,886	1,936,545	-62,641
BASE OPERATIONS TRANSFER TO OPERATIONS AND MAINTENANCE	---	---	-108,900	-108,900
CONSULTANTS, STUDIES & ANALYSES.......................	---	---	-3,000	-3,000
FUEL ADJUSTMENT.......................................	---	-2,500	-2,500	-2,500
ENVIRONMENT RESTORATION FUND TRANSFER..................	---	---	-12,300	-12,300
TOTAL, RESEARCH DEVELOPMENT TEST + EVAL, AIR FORCE..	14,401,955	14,192,155	13,488,335	-913,620

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE AGENCIES

1984 appropriation	$2,703,620,000
1985 budget estimate	4,707,906,000
Committee recommendation	4,493,140,000

The Committee recommends an appropriation of $4,493,140,000 for research, development, test and evaluation programs of the Defense Agencies, a reduction of $214,766,000 to the budget request for fiscal year 1985.

SUMMARY TABLE

[In thousands of dollars]

	Budget estimate	Committee recommendation	Change from budget
Technology base	832,688	840,988	+8,300
Advanced technology development	1,993,311	1,833,311	-160,000
Strategic programs	59,444	59,444	
Tactical programs	2,134	2,134	
Intelligence and communications	1,708,531	1,656,050	-52,481
Defensewide mission support	111,798	103,213	-8,585
Consultants, studies, and analyses		-2,000	-2,000

PROGRAMS AND ACTIVITIES

The budget activities and programs funded under this appropriation are discussed below. These activities and programs require annual authorization prior to appropriations pursuant to the provisions of section 412(b) of Public Law 86-149, as amended.

Strategic technology.—The Committee recommends an appropriation of $160,700,000 for the DARPA strategic technology program, an increase of $10,000,000 to the budget request. These additional funds are to be used solely for additional research and development on blue-green laser submarine communications technology, to more rapidly facilitate the conduct of SLC/air experiments and provide for an acceleration of the program to meet an early 1990's initial operating capability.

The Committee notes that over the past 3 years Congress has regularly added funds to the DARPA budget to accelerate research and technology development on blue-green laser communications. However, little progress has been made at accelerating the program, due to a hesitancy on the part of the Navy to take the program into engineering development. DARPA has continued to inform the Committee over the past year that future funding should be added to the Navy budget—not DARPA—so that system tradeoffs and planning for an eventual satellite system based on the technology DARPA developed can be secured. The Committee understands that recent progress made in blue-green laser technology makes an engineering development program a possibility in the near future.

If blue-green laser technology is to transition beyond the DARPA research phase, Navy management must prepare for the orderly transition of the program into engineering development. The Committee has added $2,500,000 to the Navy RDT&E program for the purpose of conducting SLC/air experiments and promoting the transition of the blue-green laser program to the Navy. The Committee requests that the Department of Defense provide a joint Navy/DARPA report to the Committee no later than April 1, 1985, outlining the potential for establishing an engineering development program within the Navy to build a submarine laser communication satellite system, along with outyear program milestones and funding profiles in support of this objective.

Tactical technology.—The Committee recommends an appropriation of $104,300,000 for tactical technology, a reduction of $4,700,000 to the budget request. The reduction is applied against project TT–5, weapons and target acquisition technology, a new project. The reduction should be equally applied on a pro rata basis against advanced ramjet munitions, advanced warheads, millimeter wave sensors, autonomous IR sensors, and uncooled sensors.

Materials processing technology.—The Committee recommends an appropriation of $27,200,000 for materials processing technology, a reduction of $2,000,000 to the budget request. This small reduction will still permit a $4,000,000 growth in the program from fiscal year 1984, the same level of growth projected last year. The program line was increased by $5,500,000, even though funds for beam processing were transferred to the strategic computing project (ST–10). The $27,200,000 appropriation should be sufficient to cover essential materials processing technology requirements during fiscal year 1985.

Consultants, studies, and analyses.—The Committee recommends a reduction of $2,000,000 for consultants, studies, and analyses for the Defense agencies. In applying this specific reduction, the Committee recommends not taking the general reduction proposed by the authorization committee.

Strategic Defense Initiative.—The Committee strongly supports the President's Strategic Defense Initiative and recommends fully funding SDI at the level proposed by the authorization committee. The recommended appropriation appears as follows:

[In thousands of dollars]

	Budget estimates	Committee recommendation
Surveillance, acquisition, and tracking	721,000	721,000
Directed energy	489,000	489,000
Conventional weapons	356,000	356,000
Systems concepts and management	99,000	99,000
Support programs	112,000	112,000
General reduction		-150,000
Total, SDI	1,777,000	1,627,000

On May 15, 1984, the Defense Subcommittee held a space programs hearing which included review of the President's proposed strategic defense initiative. SDI is not a "new start" in the true sense, but rather a continuation of existing basic research and advanced technology strategic defense R&D programs previously funded by the Army, Air Force, and DARPA, now placed under the central management of the Director of the Strategic Defense Initiative Organization. The advantages of centralizing the management of DOD research for defense against ballistic missiles are numerous, and include: (1) Avoidance of unnecessary program duplication; (2) a consolidated budget picture of the total R&D investment for SDI; (3) flexibility in allocation of resources to individual projects; (4) focused emphasis on the most challenging issues; and (5) removal of the Strategic Defense Program from service budgets, thereby removing these programs from competition with other service requirements.

Prior to the President's March 23, 1983, speech to the Nation on SDI, these programs totaled $991,000,000. Clearly, ongoing research and development in the area of defense against ballistic missiles is not a new initiative. Moreover, SDI-related programs were projected to be funded at a total of $1,527,000 in fiscal year 1985 even before the President's redirection of ballistic missile defense research. During the fiscal year 1985 budget review process, the President proposed an addition of $250,000,000 to augment the previously programmed fiscal year 1985 level for these programs. Any further reduction below that level would disrupt the President's effort to expand SDI research. The Committee's review of the SDI Program this year causes it to believe that any further reduction beyond the $150,000,000 general reduction recommended here would provide a major setback to the program and would force a major program restructuring with slippages in program milestones and objectives.

The Committee directs that in the submission of the fiscal year 1986 budget, the reporting structure of the SDI be modified to reflect division of activities under the SDI between basic research, exploratory development, advanced development, and engineering development. An unclassified version of the justification of estimates for the SDI, which will include funding levels for all programs and projects (except for those currently classified), should be released within 30 days after the budget is submitted.

The Committee understands that SDI is primarily a research and advanced technology development program at this juncture. This period of research and advanced development is necessary to evaluate candidate technologies and make a fully informed decision for system full-scale engineering development. The Committee is encouraged that the SDI program is now focusing on a transition phase which would provide for a possible incremental, sequential deployment of a strategic defense system. The Committee understands that the SDI program is being closely monitored within OSD by the Under Secretary of Defense for Policy to ensure that it is consistent with U.S. arms control policy objectives.

The Committee notes that, in answer to questions pertaining to the technical feasibility of SDI, the Office of the Under Secretary of Defense for Research and Engineering made the following comments:

> The group of scientists most familiar with the technical [illegible]sues involved, those who served on the Defensive Technolo[illegible]s Study Team (Fletcher Panel) concluded with a strong sense of optimism. They believed that the technologies they reviewed last summer could eventually produce highly effective ballistic missile defenses. This group took a skeptical perspective at the outset, but were encouraged by the prospects as they considered the technical prospects in depth. Other groups of scientists, less familiar with the technologies and with recent technical progress, have expressed similar reservations about the promise of the new technologies. Nevertheless, *virtually the entire U.S. scientific and technical communities strongly endorse the need for a vigorous research and technology demonstration effort such as the strategic defense initiative, both as a hedge against potential Soviet moves in this area and to fully explore the possibilities and merits of an effective U.S. ballistic missile defense.* (Emphasis added.)

The Committee believes that a vigorous research and technology demonstration effort in the area of strategic defense is a high national security requirement. The Committee's support for SDI does not imply that it is ready at this time to endorse either full-scale development or deployment of an SDI system. Rather, the Committee feels that these technologies are worthy of full and fair evaluation so that an informed decision on development and deployment can be made in the late 1980's or early 1990's.

The Committee directs that no reduction be applied against the CIRRIS or SPIRIT projects within the Strategic Defense Initiative. The Committee expects these projects to be fully funded throughout fiscal year 1985.

The Committee continues to support exploratory research in the area of strategic missile materials, particularly those areas which are required for effective defense against Soviet ballistic missiles. The Army's Hardened Ballistic Missile Defense Materials Program being carried out at AMMRC supports the necessary materials technology base by developing specialized materials and technologies.

While the Committee recognizes that restructuring of program elements supporting SDI is being accomplished, it nonetheless directs that a minimum of $8,000,000 in funding be proposed for reprogramming to the Hardened Ballistic Missile Defense Materials Program to assure continued and expedited work on thermal protection systems, stiffened structural materials, and optical sensor materials. This materials research is to be coordinated with the Army's Research in Materials Program.

Medical applications of free electron laser research.—The Committee recommends that of the amount made available for appropriation in the Defense Agencies RDT&E account, $5,000,000 is to be available only for the application of free electron laser technology for medical research. These funds will be used to create several multidisciplinary, regional resource centers to investigate the medical applications of FEL's and expedite the scientific training of personnel to utilize this advanced technology in support of DOD basic and applied research. Free electron laser applications are being investigated for their utility in cancer research.

DIRECTOR OF TEST AND EVALUATION, DEFENSE

1984 appropriation	$49,000,000
1985 budget estimate	62,000,000
Committee recommendation	59,000,000

The Committee recommends an appropriation of $59,000,000, a $3,000,000 reduction in the budget estimate, for the activities of the Office of the Director of Test and Evaluation, Defense.

Test and evaluation.—The Committee recommends an appropriation of $47,000,000 for test and evaluation, a reduction of $3,000,000 to the budget request. This reduction is made in accordance with the Senate-passed authorization.

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
RESEARCH DEVELOPMENT TEST + EVAL,DEF AGENCIES				
TECHNOLOGY BASE				
DEFENSE RESEARCH SCIENCES	102,500	102,500	102,500	---
IN-HOUSE LAB INDEPENDENT RESEARCH	1,874	1,874	1,874	---
TECHNICAL STUDIES	1,500	1,500	1,500	---
STRATEGIC TECHNOLOGY	150,700	150,700	160,700	+10,000
TACTICAL TECHNOLOGY	109,000	108,400	104,300	-4,700
PARTICLE BEAM TECHOLOGY	17,400	17,400	17,400	---
INTEGRATED COMD/CONTROL TECH	53,000	53,000	53,000	---
MATERIALS PROCESSING TECH	29,200	29,200	27,200	-2,000
NUCLEAR MONITORING	20,500	20,500	20,500	---
DEFENSE NUCLEAR AGENCY	347,014	340,214	347,014	---
MEDICAL R & D / FREE ELECTRON LASERS	---	---	5,000	+5,000
TOTAL, TECHNOLOGY BASE	832,688	825,288	840,988	+8,300
ADVANCE TECHNOLOGY DEVELOPMENT				
STRATEGIC DEFENSE INITIATIVES	1,777,000	1,777,000	1,627,000	-150,000
SURVIELLANCE, ACQUISTION AND TRACK	(721,000)	(721,000)	(721,000)	---
DIRECTED ENERGY	(489,000)	(489,000)	(489,000)	---
CONVENTIONAL WEAPONS	(356,000)	(356,000)	(356,000)	---
SYSTEMS CONCEPT AND MANAGEMENT	(99,000)	(99,000)	(99,000)	---
SUPPORT PROGRAMS	(112,000)	(112,000)	(112,000)	---
GENERAL REDUCTION	---	---	(-150,000)	(-150,000)
JOIN DOD-DOE MUNITIONS TECH DEV	10,000	10,000	10,000	---
EXP EVAL OF MAJOR INNOVATIVE TECH	204,300	194,325	194,300	-10,000
COMMAND AND CONTROL RESEARCH	2,011	2,011	2,011	---
TOTAL, ADVANCE TECHNOLOGY DEVELOPMENT	1,993,311	1,933,336	1,833,311	-160,000
STRATEGIC PROGRAMS				
NMCS-WIDE SUPPORT	12,064	12,064	12,064	---
WWMCCS ADP-JTSA	1,530	1,530	1,530	---
WWMCCS SYSTEM ENGINEER	30,637	30,637	30,637	---
MINIMUM ESSENTIAL EMER COMM NETWORK	15,213	15,213	15,213	---
TOTAL, STRATEGIC PROGRAMS	59,444	59,444	59,444	---
TACTICAL PROGRAMS				
CINC C2 INITIATIVES	2,134	2,134	2,134	---
INTELLIGENCE & COMMUNICATIONS				
MAP/CHART/GEODESY	513	513	513	---
MAP/CHART/GEODESY INV/PROTOTYPE DEV	14,961	14,961	14,961	---
MAP/CHART/GEODESY ENGR DEV/TEST	8,273	8,273	8,273	---
MANAGEMENT HEADQUARTERS GDIP	352	352	352	---
LONG-HAUL COMMUNICATIONS (DCS)	9,937	9,937	9,937	---
SUPPORT OF THE NCS	8,244	8,244	8,244	---
DMA EXPLOITATION PROGRAM	165,407	165,407	165,407	---

[In thousands of dollars]

	1985 budget amount	May budget revisions	Committee recommended	Change from budget
EMERGENCY PREPAREDNESS..................................	3,950	3,950	---	-3,950
CLASSIFIED PROGRAMS.....................................	1,496,894	1,465,791	1,448,363	-48,531
TOTAL, INTELLIGENCE & COMMUNICATIONS................	1,708,531	1,677,428	1,656,050	-52,481
DEFENSEWIDE MISSION SUPPORT				
SPECIAL TECHNOLOGY OFFICE/USDR&E......................	7,950	7,950	7,950	---
COUNTER INSURGENCY & SPECIAL TECH.....................	10,136	10,136	5,000	-5,136
MANUFACTURING TECHNOLOGY................................	3,100	3,100	1,236	-1,864
TECHNICAL SUPPORT TO USDR/E.............................	21,421	20,565	20,565	-856
GENERAL SUPPORT FOR PA/E................................	3,231	3,104	3,104	-127
SUPPORT TO POLICY.......................................	7,714	7,413	7,413	-301
GENERAL SUPPORT FOR NET ASSESSMENT......................	4,801	4,611	4,611	-190
GENERAL SUPPORT FOR MRA/L...............................	2,939	2,828	2,828	-111
TECHNICAL ANALYTICAL SUPPORT............................	15,000	10,000	15,000	---
DEFENSE TECHNICAL INFO CENTER...........................	18,988	18,988	18,988	---
INFORMATION ANALYSIS CENTERS............................	4,168	4,168	4,168	---
MGT HQ (RESEARCH/DEVELOPMENT)...........................	11,430	11,430	11,430	---
TECHNOLOGY TRANSFER FUNCTIONS...........................	920	920	920	---
TOTAL, DEFENSEWIDE MISSION SUPPORT..................	111,798	105,213	103,213	-8,585
CONSULTANTS, STUDIES & ANALYSES.........................	---	---	-2,000	-2,000
GENERAL REDUCTION.......................................	---	-33	---	---
TOTAL, RESEARCH DEVELOPMENT TEST + EVAL,DEF AGENCIES	4,707,906	4,652,810	4,493,140	-214,766
DIRECTOR OF TEST + EVALUATION, DEFENSE				
FOREIGN WEAPONS EVALUATION..............................	12,000	12,000	12,000	---
TEST AND EVALUATION.....................................	50,000	48,379	47,000	-3,000
TOTAL, DIRECTOR OF TEST & EVALUATION, DEFENSE.......	62,000	60,379	59,000	-3,000
RECAPITULATION				
TOTAL, RDTE, ARMY.......................................	4,987,100	4,866,900	4,540,125	-446,975
TOTAL, RDTE, NAVY.......................................	9,826,076	9,517,222	9,300,867	-525,209
TOTAL, RDTE, AIR FORCE..................................	14,401,955	14,192,155	13,488,335	-913,620
TOTAL, RDTE, DEFENSE AGENCIES...........................	4,707,906	4,652,810	4,493,140	-214,766
TOTAL, RDTE, DIRECTOR OF TEST AND EVALUATION..........	62,000	60,379	59,000	-3,000
TOTAL, RDTE...	33,985,037	33,289,466	31,881,467	-2,103,570

3/ EXCLUDES $390,000 FOR SFCP.

TITLE V

SPECIAL FOREIGN CURRENCY PROGRAM

1984 appropriation	$3,050,000
1985 budget estimate	8,650,000
Committee recommendation	8,650,000

The Committee recommends the budgeted level of $8,650,000 for the Special Foreign Currency Program.

The special foreign currency appropriation provides dollars to be used exclusively for the purchase from the Treasury of excess foreign currencies which are used in the financing of programs of benefit to the Department of Defense. Such expenditures are authorized by 80 Stat. 990.

TITLE VI

REVOLVING AND MANAGEMENT FUNDS

The Committee recommends appropriations totaling $1,553,656,000 in title VI, revolving and management funds, for fiscal year 1985. This is $208,400,000 below the budget estimate. In addition, a transfer of $500,000,000 is recommended to capitalize a merchant ship construction revolving fund.

The stock fund appropriations provide for the purchase of war reserve material and peacetime operating stock. The stock funds of the respective military services are the primary financial vehicles for the purchase of such material. A portion of these stock-funded items which are consummable in nature—repair parts, clothing, and other expendable material—are held for use in the event of an outbreak of hostilities. The bulk of the material is stocked for normal peacetime operations use.

The following are the Committee recommendations by account:

ARMY STOCK FUND

1984 appropriation	$388,600,000
1985 budget estimate	366,448,000
Committee recommendation	366,448,000

The Committee recommends an appropriation of $366,448,000, the same as the budget estimate.

NAVY STOCK FUND

1984 appropriation	$632,869,000
1985 budget estimate	563,907,000
Committee recommendation	473,007,000

The Committee recommends an appropriation of $473,007,000. This is $90,900,000 below the request based on revised budget recommendations.

Supply inventory augmentation.—The Committee understands the Navy is planning to create retail stock funds at the Norfolk and Oakland supply centers. This effort is designed to augment existing supply levels which improves support to local activities near the supply centers. The establishment of retail levels will produce higher Navy stock fund inventory than reflected in the budget. The value of the inventory augmentation is estimated at $75,000,000. The Committee instructs the Navy to accommodate this increase within existing Navy stock fund balances. If such resources are insufficient, DOD may transfer funds for the inventory augmentation.

MARINE CORPS STOCK FUND

1984 appropriation	$20,780,000
1985 budget estimate	34,908,000
Committee recommendation	34,908,000

The Committee recommends an appropriation of $34,908,000, the same as the budget estimate.

AIR FORCE STOCK FUND

1984 appropriation	$1,288,725,000
1985 budget estimate	666,093,000
Committee recommendation	548,593,000

The Committee recommends an appropriation of $548,593,000, which is $117,500,000 below the request. Over $1,400,000 has been appropriated in the last 2 years to increase inventory in support of a growing force structure and for war reserve materials. Recommended adjustments in procurement rates will partially relieve the requirement to rapidly build inventory levels since attainment of higher force levels will be stretched out. As a result, the request for stock-funded support material is overstated. Consequently, the Committee concludes that the recommended allowance is sufficient to reach required inventory objectives.

DEFENSE STOCK FUND

1984 appropriation	$43,600,000
1985 budget estimate	130,700,000
Committee recommendation	130,700,000

The Committee recommends an appropriation of $130,700,000, the same as the budget estimate.

MERCHANT SHIP CONSTRUCTION REVOLVING FUND

1984 appropriation	
1985 budget estimate	
Committee recommendation	($500,000,000)

The Committee recommends a transfer of $500,000,000 to capitalize a merchant ship construction revolving fund to be derived from unobligated funds available in the prior-year defense appropriation accounts. In addition, such funds which may accrue from miscellaneous receipts as provided by the Merchant Marine Act of 1936 may revert to the fund. The recommended transfer and use of such payments is subject to enactment of pending legislation to establish the revolving fund. The proposed fund is intended for the construction of commerical type vessels, with military specifications, and subsequent lease to private shipping concerns. Authorization should provide for the administration of the fund by the Maritime Administration and the Navy.

The U.S. Government has historically relied on the merchant marine to meet sealift demands in a time of war. In recent years the composition of the commercial fleet has changed dramatically. Within the past decade the number of vessels has declined and the types of merchant ships are not as suitable for military needs as had been the case.

In part, the revolving fund concept is patterned after President Eisenhower's Mariner program. It has the effect of providing a base for the kinds of ships the military needs and putting them to use in the commercial trade. Today there are only 538 privately owned U.S. vessels in our merchant marine. These ships have a total dead weight tonnage of approximately 21 million in contrast to about 14 million tons and 596 vessels in 1973. This trend toward fewer but larger vessels is in direct contrast with the military needs for smaller, mobile ships.

Recognizing the decrease of militarily useful vessels in the trade today, the Navy has been requesting direct appropriations to build commercial type vessels. Ship conversion and construction programs like the fast sealift SL–7 ships and the T–5 tankers are clearly motivated by the declining inventory of such ships in our merchant fleet. But once delivered, these ships are tied up in the national defense reserve fleet. Much like the Mariner program, ships built through the fund would be put to work in the commercial trade instead of lying idle.

Ships built through the fund would be owned by the United States, registered and documented under U.S. flag, and leased to private ship operators at the highest bid. The ships must be built in U.S. shipyards. The sources of revenue would include the recommended transfer and revenues from lease and/or sale of these ships. In addition, it is expected that the Secretary of Transportation will determine that recipients of construction differential subsidies may repay subsidies, and revenues accrued from the payments should revert to the fund. Any additional funds for capitalization should be included in a future budget request or by a request for transfer of funds from the Department of Transportation or other Defense Department sources.

The Committee strongly recommends that enabling legislation emphasize direction to develop ship specifications which enhance commercial, cost efficient features while preserving military standards. This will require the commitment and expertise of the Transportation Department's Maritime Administration in cooperation with the Navy. This is a critical element of the program to provide for military and commerical utility.

The sources of transfer to initially capitalize the fund are derived from unobligated funds, primarily from aircraft carrier shipbuilding savings and excess funding balances in other accounts recommended for transfer in the revised budget. Vessels to be constructed through the fund, if needed in the event of war, will transport defense supplies and equipment for each military service. Requirements for such ships are driven by defense planning which coordinate total Armed Forces activity. In this regard, the Committee considers it appropriate that the funding identified for transfer is derived from the variety of Defense Department appropriation accounts displayed in the following table:

Fiscal year	Account	In millions
1983	Shipbuilding and conversion, Navy	$422
1984	Aircraft procurement, Air Force	32
1984	Missile procurement, Army	13
1984	Missile procurement, Air Force	15
1984	Other procurement, Army	18

TITLE VII

RELATED AGENCIES

INTELLIGENCE COMMUNITY STAFF

1984 appropriation	$17,323,000
1985 budget estimate	21,797,000
Committee recommendation	21,797,000

The Committee recommends an appropriation of $21,797,000. This is the same as the budget estimate. Details of this recommendation are contained in the classified annex to this report.

PAYMENT TO THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

1984 appropriation	$86,300,000
1985 budget estimate	99,300,000
Committee recommendation	99,300,000

The Committee recommends an appropriation of $99,300,000 for the payment to the Central Intelligence Agency Retirement and Disability System Fund. The Committee recommendation concurs in the budget estimate and is an increase of $13,000,000 over the fiscal year 1984 appropriation.

The Central Intelligence Agency Retirement Act of 1964 for Certain Employees (Public Law 88–643, October 3, 1964) authorized the establishment of a Central Intelligence Agency retirement and disability system for a limited number of Agency employees and authorized the establishment and maintenance of a fund from which benefits would be paid to qualified beneficiaries. The fund finances the cost of: (1) interest on the unfunded liability, (2) annuities attributable to credit allowed for military services, (3) benefits not met by employee/employer contributions, and (4) the increase in unfunded liability resulting from liberalized benefits and Federal pay raises.

The benefits structure of this fund is similar to that of the civil service retirement system.

TITLE VIII

GENERAL PROVISIONS

In addition to provisions discussed elsewhere in the report, the Committee recommends the following changes in the general provisions under title VIII of the accompanying bill:

Expenditures for consulting service.—The Committee recommends retention of last year's language which limits the expenditure for a consulting service through a procurement contract to those contracts where such expenditures are a matter of public record. The budget requests deletion of this provision.

Small business assistance.—The Committee recommends against the budget request to delete the requirement that the Department make use of appropriated funds in assisting small and minority-owned businesses.

Household goods weight allowance.—The Committee recommends concurrence in the budget request to raise the weight allowance for shipment of household goods from 13,500 to 18,000 pounds for civilians but recommends that the present 13,500-pound ceiling remain for the military.

Limitation on obligation of funds.—The Committee recommends concurrence in the budget request to add the Claims, Defense appropriation to the exception that not more than 20 percent of appropriated funds be obligated during the last 2 months of the fiscal year. The Committee likewise recommends that the exception be extended to the Environmental Restoration account.

Conversion from coal.—The Committee recommends denial of a request from the Department of Defense to permit conversion of heating plants in Europe from coal to oil.

Buy American.—The Committee recommends denial of the budget request to delete this provision.

Legislative affairs.—The Committee recommends raising the limitation from $9,500,000 to $10,500,000. The budget requests a limit of $12,700,000 for legislative affairs.

Transfer authority.—The Committee recommends retention of language which restricts appropriation transfers to those appropriated by this act. The budget request would permit the transfer of prior year unobligated balances.

Public affairs activities.—The Committee recommends raising the annual spending limitation on public affairs from the present $34,200,000 to $37,600,000 instead of $43,400,000 as requested by the Department.

Arms Export Control Act.—The present language requires DOD to return to the Treasury credits which accrue pursuant to the Arms Export Control Act. DOD requests it be permitted to use these credits. The Committee recommends against this request.

ROTC enrollment standards.—The Committee recommends maintaining language which prescribes enrollment standards for ROTC units. The budget requests deletion of this provision.

Retired pay limitation.—The Committee recommends this provision be modified to accommodate the change from the Retired Pay, Defense, account to the DOD Military Retirement Fund. The budget requests deletion of this provision. The Committee recommends, too, that this provision become permanent law.

CIA headquarters building.—The Committee recommends continuation of last year's 5-year expiration date on construction funds rather than the unlimited timing requested by the budget.

Insignia.—The Committee recommends concurrence in the budget request to delete the provision governing the sale price of military insignia.

Compensation claims.—The Committee recommends retention of present language which prohibits DOD from using appropriated funds to pay certain anticipatory compensation claims to Germany. The budget requests deletion of this prohibition.

Medical care reimbursement.—The Committee recommends continuation of the requirement that foreign military and diplomatic personnel reimburse DOD for medical services obtained through DOD. The budget proposes deleting this provision.

Multiyear contracts.—The Committee recommends maintaining the requirement for advance notification on multiyear contracts employing an economic order quantity procurement or having an unfunded contingent liability in excess of $20,000,000. The budget requests deletion of this provision.

Retired pay limitation.—The Committee recommends this provision be modified to accommodate the change from the Retired Pay, Defense, account to the DOD Military Retirement Fund. The budget requests deletion of this provision. The Committee recommends, too, that this provision become permanent law.

Arms Export Control Act.—The Committee recommends retaining the prohibition against the use of funds for waiving costs required to be recovered pursuant to the Arms Export Control Act unless the Appropriations Committees are notified in advance. The budget requests deletion of this provision.

POMCUS.—The Committee recommends retention of the prohibition against transporting POMCUS materiel in excess of four sets. The budget requests deletion of this prohibition.

Equipment transfer.—The Committee recommends retaining the requirement that DOD service secretaries approve equipment transfers to foreign countries. The budget requests deletion of this provision. The Committee likewise recommends retaining the prohibition against the transfer to a foreign nation of a technical data package from any Government owned and operated defense plant manufacturing large caliber cannon. The budget requests the prohibition be narrowed.

Advanced technology bomber (ATB).—The Committee recommends retaining language directing the Department to continue priority emphasis on the ATB program. The budget requests deletion of this provision.

Coal and coke from foreign sources.—The Committee recommends retaining language prohibiting DOD from using foreign sources of coal and coke overseas.

Executive schedule positions.—The Committee recommends retaining the limitation of 37 on the number of executive level positions in the Department of Defense. The budget requests deletion of this provision.

Civilian technicians.—The Committee recommends that the number of full-time Army Guard and Reserve personnel be changed from 28,108 to 32,010; that the outdated proviso establishing a floor on full-time personnel be dropped; and that the prohibition against including military technicians in civilian personnel ceilings be maintained.

Civilian personnel ceilings.—The budget requests deletion of the prohibition against including industrially funded activities manpower in civilian personnel ceilings. The Committee recommends retention of the prohibition.

Indian labor.—The Committee recommends retaining language which allows the Department to use Indian labor so far as may be practicable. The budget request deletes this language.

Small business contracts.—The Committee recommends retention of language which prohibits the use of funds to require that small businesses sell products to the general public or submit a bid sample as a prerequisite for contract submission to DOD.

Fort De Russy.—The Committee recommends maintaining language which prohibits funds for the sale, lease, or rental of land at Fort De Russy, Hawaii. The budget requests deletion of this language.

Commissaries.—The Committee recommends maintaining a limitation of 247 on the number of commissaries in the contiguous United States which operate with funds made available by this act. The budget requests deletion of this provision.

Aircraft ejection seats.—The Committee recommends continuation of the prohibition against the use of funds to procure aircraft ejection seats manufactured in any foreign nation that does not permit U.S. manufacturers to compete for ejection seat procurement in that foreign nation. It further recommends that the limitation apply only to ejection seats procured for installation on aircraft produced in the United States.

Unemployment compensation.—The Committee recommends raising the limit on payments to the Department of Labor from $203,300,000 to $212,500,000 for unemployment compensation costs.

Shipbuilding claims.—The Committee recommends retaining last year's provision, as modified by the fiscal year 1985 Senate authorization bill for the Department of Defense.

Department of Defense dependent schools.—The Committee recommends retention of language prohibiting the transfer of DOD dependent schools to the Department of Education. The budget requests deletion of this provision.

Competitive rate program.—The Committee recommends retention of the prohibition against the competitive rate program for shipment of household goods to and from Alaska and Hawaii. The budget requests deletion of this provision.

Dependent student travel.—The Committee recommends modification of last year's language to limit paid military dependent student travel to expenses outside the contiguous United States and to raise the spending limitation on dependent student travel to $4,700,000.

Variable housing allowance (VHA).—The Committee recommends new language to eliminate the payment of VHA in excess of actual housing and utility costs.

Foreign selling costs.—The Committee recommends new language to prohibit reimbursements for foreign selling costs in U.S. contracts. This continues existing administrative regulations.

Strategic defense initiative.—The Committee recommends new language which expresses the sense of the Congress that the President shall consult with NATO and other allies concerning research being conducted in the Strategic Defense Initiative program.

Increases in allied defense spending.—The Committee recommends new language which expresses the sense of the Congress that the President should insist that pertinent member nations of NATO meet or exceed their pledges for at least 3 percent real growth in defense spending for fiscal year 1984 and fiscal year 1985 and that Japan further increase its defense spending for these years.

Civilian technicians.—The Committee recommends new language to authorize the retention in an active status until age 60 of certain reserve officers employed as civilian technicians.

CHAMPUS transfer.—The Committee recommends new language which permits up to $100,000,000 to be transferred from CHAMPUS funds to service medical budgets for health demonstration projects authorized by the 1984 DOD Authorization Act.

Chemical munitions demilitarization.—The Committee recommends new language to prohibit the transportation of any chemical munitions into the Lexington-Blue Grass Army Depot for purposes of future demilitarization.

Milk distribution.—The Committee recommends new language to ensure that fresh milk is distributed to troops and accepted by base exchanges and commissaries within 72 hours of its pasteurization. This provision applies to all 50 States.

Second source procurement.—The Committee recommends new language to repeal section 107 of Public Law 98–94, the Fiscal Year 1984 Department of Defense Authorization Act in agreement with the Senate-passed 1985 authorization act. This action permits second source procurement of the M–1 tank engine.

CHAMPUS dental program.—The Committee recommends authority under CHAMPUS to begin a dental care program for active duty dependents under the age of 17. Eligibility for this program is limited to persons living under the poverty level as determined by the Bureau of Labor Statistics.

Leasing.—The Committee recommends a modification to existing law to require congressional approval of appropriations prior to the Defense Department entering into any long-term leasing arrangements. A long-term lease is redefined in the provision as 18 months or more inclusive of options for renewal or extension.

Two years ago the Congress adopted bill language recommended by the Committee to establish a formula for prior approval of long-term leases of ships, aircraft, vehicles, and major weapon systems. Since its adoption, several lease contracts have been initiated which would be covered under the spirit of the provision, but technically developed to be exempt. The Air Force has proceeded with the leased replacement of 120 executive type CT–39 aircraft by designing the contract methodology to be exempt from the percentage coverage of termination liability provisions of existing law. Similarly, the Navy just recently entered into a 3-year lease agreement with a foreign government for aggressor training aircraft. By entering into the agreement for maintenance services with the provision of the aircraft as incidental, the Navy managed to avoid compliance with the leasing statute.

Under the circumstances, the Committee is forced to strengthen the leasing provision by extending coverage of lease terms to a period of 18 months, requiring specific approval of appropriations for such long-term leases, and requiring the budgeting of at least 10 percent of termination liability if such liability is in excess of 50 percent of the replacement value of the leased asset. Previously, the termination liability coverage was required only for leases with a term in excess of 3 years. Under the recommended provision, the requirement is extended to all leases regardless of term.

Coal use at U.S. defense installations in Europe.—The Committee recommends a new general provision because it is increasingly concerned over the security of energy sources for U.S. defense installations in Europe. Recent incidents which involved the destruction of, and threats to, oil cargo vessels in the Persian Gulf, including those transporting oil for such defense installations, and the uncovering of information on terrorist intent to disrupt strategic pipelines, strongly indicate the need for a redetermination of energy policy at USAREUR.

The Committee views the continued use of natural gas (increasingly from the Soviet Union), oil from crisis areas, and other potentially vulnerable energy sources as inadvisable in the context of current international situations.

Of specific concern at this time is the increased dependence on commercial or district heat sources located off military reservations, allowing for additional reliance on non-U.S. energy sources. Further, the consistently declining use of U.S. coal by the Department, particularly in Army and Air Force installations under the coordination of USAREUR, especially with reference to new district heating connections, is not regarded as consistent with U.S. Government coal use policy.

The Committee directs that to offset the anticipated decline of U.S. coal at USAREUR, the Department of the Army continue with its plans to use bituminous coal as the energy source at an ongoing construction program at the U.S. Military Academy at West Point, N.Y.; and that anthracite be the source of energy at a planned major facility at Fort Drum, N.Y., and at an ongoing modernization and expansion of facilities at New Cumberland, Pa.

The new general provision will eliminate further funding for consolidation or conversion of facilities to this source, with the exception of certain ongoing projects where negotiations are advanced and the reversal of such plans would inconvenience Army planning. Those projects in USAREUR as identified by the Department of the Army are Babenhausen, Bad Nauheim, Bad Toelz, Bad Kissingen, Darmstadt (3), Dexheim, Frankfurt (2), Fulda, Garmisch, Giessen (4), Heilbronn (2), Idar-Oberstein, Ludwigsburg, Nabollenbach, Neckarsulm, Pirmasens, Kaiserslautern, Schwaebisch Hall, Wildflecken, Wiesbaden, and Wuerzburg.

While the Department of Defense maintains alternate source plans for natural gas in the event of state of emergency or wartime circumstances, and maintains a strategic stockpile of oil, its coal contingency planning for such circumstances is considered inadequate, with reliance on the commercial economy of a foreign nation whose own wartime requirements would accelerate. The Committee, therefore, directs that from available funds a 1-year strategic stockpile of U.S. anthracite and bituminous coal for Europe be acquired, with total tonnage to be determined from an average of the totals for 3 previous fiscal year requirements. The acquisition of the strategic stockpile will begin as part of the normal fiscal year 1985 procurement for Europe, continuing in equal one-fourth increments for the 3 succeeding fiscal years. Further, it is directed that the stockpile be purchased and maintained in the United States for war reserve status exclusively, irrespective of a normal multipurpose reserve, and not be used as part of normal supply and demand.

Central Intelligence Agency security-related duties.—The Committee recommends new language which transfers to the Director of Central Intelligence functions of the Administrator of General Services as they relate to the security protection on Central Intelligence Agency property.

Counterintelligence and official representation.—The Committee recommends new language expressing the sense of the Congress that the numbers, status, privileges and immunities, travel, accommodations, and facilities within the United States and the Soviet Union of official representatives engaging in intelligence activities should be reciprocal.

National Defense Strategic Stockpile of silver.—The Committee recommends new language which prohibits the disposal of silver in the National Defense Strategic Stockpile until the report of the President provided for in the fiscal year 1982 Department of Defense Appropriations Act has been submitted to the Committees on Armed Services of the Senate and the House of Representatives.

Housing allowance in Alaska and Hawaii.—The Committee recommends new language permitting members of the uniformed services currently on duty in Alaska and Hawaii or assigned there during fiscal year 1985 to receive the overseas housing allowance (rent plus), instead of the variable housing allowance (VHA). Currently, members assigned to Alaska and Hawaii receive rent plus because service in these areas is considered overseas duty by the Defense Department. The Committee makes this recommendation because it is not convinced that VHA is an acceptable alternative to rent plus. The Committee has requested the General Accounting Office to examine both VHA and rent plus and recommend an alternate system which can replace both programs. The Committee believes any permanent change in the housing allowances for members of the uniformed services assigned to Alaska and Hawaii should await this report.

Light infantry divisions' family housing.—The Army has informed the Committee that the recent decision to create two new light infantry divisions will necessitate acquisition of additional family housing units at the new stationing locations. Under Public Law 98-407, the Army is authorized a total of 600 units to be built-to-lease at one light division location. Because of the increased requirement for housing and the changes in stationing plans, the Committee recommends a general provision which will increase the authority of the Secretary of the Army to build-to-lease up to 1,200 units at three locations: Fort Wainwright, Alaska; Fort Drum, N.Y.; and Fort Benning, Ga. This provision is included with the understanding that the Army, if it provides housing using this authority, must meet the reporting requirements and cost-effectiveness criteria as required by section 801 of Public Law 98-115.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985

[Amounts in dollars]

Item (1)	1984 Appropriation (2)	Budget estimate (3)	Committee recommendation (4)	Senate committee recommendation compared with (+ or –): 1984 Appropriation (5)	Senate committee recommendation compared with (+ or –): Budget estimate (6)
TITLE I - MILITARY PERSONNEL					
Military personnel, Army	15,388,833,000	21,172,900,000	21,049,200,000	+5,660,367,000	-123,700,000
Military personnel, Navy	11,415,908,000	15,897,500,000	15,695,358,000	+4,279,450,000	-202,142,000
(Transfer from other accounts)	(30,000,000)	---	---	(-30,000,000)	---
Military personnel, Marine Corps	3,520,369,000	4,845,900,000	4,812,066,000	+1,291,697,000	-33,834,000
Military personnel, Air Force	12,864,563,000	17,799,900,000	17,567,780,000	+4,703,217,000	-232,120,000
Reserve personnel, Army	1,361,150,000	2,184,300,000	2,109,700,000	+748,550,000	-74,600,000
Reserve personnel, Navy	757,500,000	1,131,600,000	1,127,300,000	+369,800,000	-4,300,000
Reserve personnel, Marine Corps	176,200,000	269,500,000	269,500,000	+93,300,000	---
Reserve personnel, Air Force	388,750,000	565,800,000	565,800,000	+177,050,000	---
National Guard personnel, Army	1,882,980,000	3,075,000,000	2,935,500,000	+1,052,520,000	-139,500,000
National Guard personnel, Air Force	589,100,000	889,200,000	882,900,000	+293,800,000	-6,300,000
Total, title I, Military personnel:					
New budget (obligational) authority	48,345,353,000	67,831,600,000	67,015,104,000	+18,669,751,000	-816,496,000
(Transfer from other accounts)	(30,000,000)	---	---	(-30,000,000)	---

RETIRED MILITARY PERSONNEL					
Retired pay, Defense	16,592,600,000	---	---	-16,592,600,000	---
TITLE II - OPERATION AND MAINTENANCE					
Operation and maintenance, Army	17,297,576,000	19,486,518,000	18,574,318,000	+1,276,742,000	-912,200,000
Operation and maintenance, Navy	22,249,628,000	26,248,426,000	25,390,326,000	+3,140,698,000	-858,100,000
Operation and maintenance, Marine Corps	1,547,720,000	1,683,069,000	1,633,469,000	+85,749,000	-49,600,000
Operation and maintenance, Air Force	17,717,145,000	20,234,500,000	19,336,639,000	+1,619,494,000	-897,861,000
Operation and maintenance, Defense agencies	6,547,914,000	7,338,370,000	7,126,470,000	+578,556,000	-211,900,000
Operation and maintenance, Army Reserve	692,390,000	715,450,000	713,150,000	+20,760,000	-2,300,000
Operation and maintenance, Navy Reserve	636,590,000	829,531,000	812,431,000	+175,841,000	-17,100,000
Operation and maintenance, Marine Corps Reserve	52,349,000	58,642,000	58,642,000	+6,293,000	---
Operation and maintenance, Air Force Reserve	791,150,000	883,461,000	872,461,000	+81,311,000	-11,000,000
Operation and maintenance, Army National Guard	1,188,390,000	1,404,643,000	1,395,593,000	+207,203,000	-9,050,000
Operation and maintenance, Air National Guard	1,807,650,000	1,862,148,000	1,810,348,000	+2,698,000	-51,800,000
National Board for the Promotion of Rifle Practice, Army	909,000	914,000	914,000	+5,000	---
Claims, Defense	160,400,000	177,900,000	157,900,000	-2,500,000	-20,000,000
Court of Military Appeals, Defense	3,372,000	3,470,000	3,416,000	+44,000	-54,000
Summer olympics	50,000,000	---	---	-50,000,000	---
Environmental Restoration fund, Defense	150,000,000	---	314,000,000	+164,000,000	+314,000,000
Total, title II, new budget (obligational) authority, Operation and maintenance	70,893,183,000	80,927,042,000	78,200,077,000	+7,306,894,000	-2,726,965,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

Item	1984 Appropriation	Budget estimate	Committee recommendation	Senate committee recommendation compared with (+ or −)	
				1984 Appropriation	Budget estimate
(1)	(2)	(3)	(4)	(5)	(6)
TITLE III - PROCUREMENT					
Aircraft procurement, Army	3,214,048,000	4,008,300,000	3,950,100,000	+736,052,000	-58,200,000
(Transfer from other accounts)	---	---	(30,000,000)	(+30,000,000)	(+30,000,000)
Missile procurement, Army	2,822,700,000	3,442,400,000	3,150,400,000	+327,700,000	-292,000,000
(Transfer from other accounts)	(32,600,000)	---	---	(-32,600,000)	---
Procurement of weapons and tracked combat vehicles, Army	4,594,103,000	5,092,700,000	4,421,735,000	-172,368,000	-670,965,000
(Transfer from other accounts)	(149,000,000)	---	(213,100,000)	(+64,100,000)	(+213,100,000)
Procurement of ammunition, Army	1,980,100,000	2,494,000,000	2,625,050,000	+644,950,000	+131,050,000
(Transfer from other accounts)	---	---	(44,000,000)	(+44,000,000)	(+44,000,000)
Other procurement, Army	4,680,528,000	6,022,400,000	5,256,850,000	+576,322,000	-765,550,000
(Transfer from other accounts)	---	---	---	---	---
Aircraft procurement, Navy	10,174,608,000	11,474,200,000	10,818,295,000	+643,687,000	-655,905,000
(Transfer from other accounts)	---	---	---	---	---
Weapons procurement, Navy	3,725,332,000	4,650,860,000	4,395,960,000	+670,628,000	-254,900,000
(Transfer from other accounts)	(77,800,000)	---	(20,000,000)	(-57,800,000)	(+20,000,000)
Shipbuilding and conversion, Navy	11,215,400,000	13,141,900,000	11,558,300,000	+342,900,000	-1,583,600,000
(Transfer from other accounts)	(279,600,000)	---	(347,400,000)	(+67,800,000)	(+347,400,000)

Other procurement, Navy	4,308,543,000	5,953,900,000	5,533,376,000	+1,224,833,000	-420,524,000
(Transfer from other accounts)	---	---	---	---	---
Procurement, Marine Corps	1,741,306,000	1,978,581,000	1,860,796,000	+119,490,000	-117,785,000
(Transfer from other accounts)	---	---	---	---	---
Aircraft procurement, Air Force	21,080,110,000	28,676,500,000	26,376,700,000	+5,296,590,000	-2,299,800,000
(Transfer from other accounts)	(323,100,000)	---	(111,000,000)	(-212,100,000)	(+111,000,000)
Missile procurement, Air Force	7,747,838,000	9,820,600,000	8,581,862,000	+834,024,000	-1,238,738,000
(Transfer from other accounts)	(55,000,000)	---	---	(-55,000,000)	---
Other procurement, Air Force	6,964,232,000	9,561,500,000	9,149,020,000	+2,184,788,000	-412,480,000
(Transfer from other accounts)	---	---	(14,500,000)	(+14,500,000)	(+14,500,000)
National Guard and Reserve Equipment	176,000,000	---	431,000,000	+255,000,000	+431,000,000
Acquisition & Construction, Coast Guard	300,000,000	---	---	-300,000,000	---
Procurement, Defense agencies	942,657,000	1,243,500,000	1,179,860,000	+237,203,000	-63,640,000
Defense Production Act Purchases	---	25,000,000	25,000,000	+25,000,000	---
Total, title III, Procurement:					
New budget (obligational) authority	85,667,505,000	107,586,341,000	99,314,304,000	+13,646,799,000	-8,272,037,000
(Transfer from other accounts)	(917,100,000)	---	(780,000,000)	(-137,100,000)	(+780,000,000)
TITLE IV - RESEARCH, DEVELOPMENT, TEST, AND EVALUATION					
Research, development, test, and evaluation, Army	4,199,125,000	4,987,100,000	4,540,125,000	+341,000,000	-446,975,000
Research, development, test, and evaluation, Navy	7,559,818,000	9,826,076,000	9,300,867,000	+1,741,049,000	-525,209,000
Research, development, test, and evaluation, Air Force	12,227,706,000	14,401,955,000	13,488,335,000	+1,260,629,000	-913,620,000
Research, development, test, and evaluation, Defense agencies	2,703,620,000	4,707,906,000	4,493,140,000	+1,789,520,000	-214,766,000
Director of Test and Evaluation, Defense	49,000,000	62,000,000	59,000,000	+10,000,000	-3,000,000
Total, title IV, new budget (obligational) authority, Research, development, test, and evaluation	26,739,269,000	33,985,037,000	31,881,467,000	+5,142,198,000	-2,103,570,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

Item (1)	1984 Appropriation (2)	Budget estimate (3)	Committee recommendation (4)	Senate committee recommendation compared with (+ or −) 1984 Appropriation (5)	Senate committee recommendation compared with (+ or −) Budget estimate (6)
TITLE V - SPECIAL FOREIGN CURRENCY PROGRAM					
Special foreign currency program	3,050,000	8,650,000	8,650,000	+5,600,000	---
TITLE VI - REVOLVING AND MANAGEMENT FUNDS					
Army stock fund	388,600,000	366,448,000	366,448,000	-22,152,000	---
Navy stock fund	632,869,000	563,907,000	473,007,000	-159,862,000	-90,900,000
Marine Corps stock fund	20,780,000	34,908,000	34,908,000	+14,128,000	---
Air Force stock fund	1,288,725,000	666,093,000	548,593,000	-740,132,000	-117,500,000
Defense stock fund	43,600,000	130,700,000	130,700,000	+87,100,000	---
Defense industrial fund	150,000,000	---	---	-150,000,000	---
Merchant Ship Construction Revolving Fund (Transfer from other accounts)	---	---	(500,000,000)	(+500,000,000)	(+500,000,000)
Total, title VI, new budget (obligational) authority, Revloving and management funds	2,524,574,000	1,762,056,000	1,553,656,000	-970,918,000	-208,400,000
(Transfer from other accounts)	---	---	(500,000,000)	(+500,000,000)	(+500,000,000)

TITLE VII - RELATED AGENCIES

Intelligence Community Staff..........................	17,467,000	21,797,000	21,797,000	+4,330,000	---
CIA Retirement and Disability System Fund............	86,300,000	99,300,000	99,300,000	+13,000,000	---
Total, title VII, new budget (obligational) authority, Related agencies..................	103,767,000	121,097,000	121,097,000	+17,330,000	---

TITLE VIII - GENERAL PROVISIONS

(Additional transfer authority, sec. 825).............	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	---	---

RECAPITULATION

Title I - Military personnel..........................	48,345,353,000	67,831,600,000	67,015,104,000	+18,669,751,000	-816,496,000
(Transfer from other accounts)......................	(30,000,000)	---	---	(-30,000,000)	---
Retired military personnel...........................	16,592,600,000	---	---	-16,592,600,000	---
Title II - Operation and maintenance.................	70,893,183,000	80,927,042,000	78,200,077,000	+7,306,894,000	-2,726,965,000
Title III - Procurement..............................	85,667,505,000	107,586,341,000	99,314,304,000	+13,646,799,000	-8,272,037,000
(Transfer from other accounts)......................	(917,100,000)	---	(780,000,000)	(-137,100,000)	(+780,000,000)
Title IV - Research, development, test, and evaluation	26,739,269,000	33,985,037,000	31,881,467,000	+5,142,198,000	-2,103,570,000
Title V - Special foreign currency program............	3,050,000	8,650,000	8,650,000	+5,600,000	---
Title VI - Revolving and management funds............	2,524,574,000	1,762,056,000	1,553,656,000	-970,918,000	-208,400,000
(Transfer from other accounts)......................	---	---	(500,000,000)	(+500,000,000)	(+500,000,000)
Title VII - Related agencies.........................	103,767,000	121,097,000	121,097,000	+17,330,000	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1984 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1985—Continued

[Amounts in dollars]

Item	1984 Appropriation	Budget estimate	Committee recommendation	Senate committee recommendation compared with (+ or −)	
				1984 Appropriation	Budget estimate
(1)	(2)	(3)	(4)	(5)	(6)
Title VIII - General provisions (additional transfer authority, sec. 825)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	---	---
Total, Department of Defense (NOA)	250,869,301,000	292,221,823,000	278,094,355,000	+27,225,054,000	-14,127,468,000
(Transfer from other accounts)	(947,100,000)	---	(1,280,000,000)	(+332,900,000)	(+1,280,000,000)
Total funding available	251,816,401,000	292,221,823,000	279,374,355,000	+27,557,954,000	-12,847,468,000
(Transfer authority)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	---	---
Distribution by organizational component:					
Army	59,691,432,000	74,453,073,000	71,089,083,000	+11,397,651,000	-3,363,990,000
(Transfer from other accounts)	(211,600,000)	---	(287,100,000)	(+75,500,000)	(+287,100,000)
Navy	79,734,920,000	98,588,500,000	93,774,601,000	+14,039,681,000	-4,813,899,000
(Transfer from other accounts)	(357,400,000)	---	(367,400,000)	(+10,000,000)	(+367,400,000)
Air Force	83,466,969,000	105,361,657,000	99,180,438,000	+15,713,469,000	-6,181,219,000
(Transfer from other accounts)	(378,100,000)	---	(125,500,000)	(-252,600,000)	(+125,500,000)
Defense agencies/OSD	10,803,613,000	13,697,496,000	13,498,136,000	+2,694,523,000	-199,360,000
Reserve & National Guard (procurement)	176,000,000	---	431,000,000	+255,000,000	+431,000,000
Retired military personnel	16,592,600,000	---	---	-16,592,600,000	---
Related agencies	103,767,000	121,097,000	121,097,000	+17,330,000	---
Coast Guard	300,000,000	---	---	-300,000,000	---

Revolving and Management Funds:					
(Transfer from other accounts)..........	---	---	(500,000,000)	(+500,000,000)	(+500,000,000)
Total, Department of Defense (NOA)........	250,869,301,000	292,221,823,000	278,094,355,000	+27,225,054,000	-14,127,468,000
(Transfer from other accounts)........	(947,100,000)	---	(1,280,000,000)	(+332,900,000)	(+1,280,000,000)
Total funding available..................	251,816,401,000	292,221,823,000	279,374,355,000	+27,557,954,000	-12,847,468,000
(Transfer authority).................	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	---	---

1/ Includes $5 million appropriated in the Continuing Appropriations Act, 1984, for the Summer Olympics (O&M) and amounts in the Second Supplemental Appropriations Act, 1984.

2/ DOD's accrued retirement liability costs ($16,913,447,000) are included in the military personnel accounts.